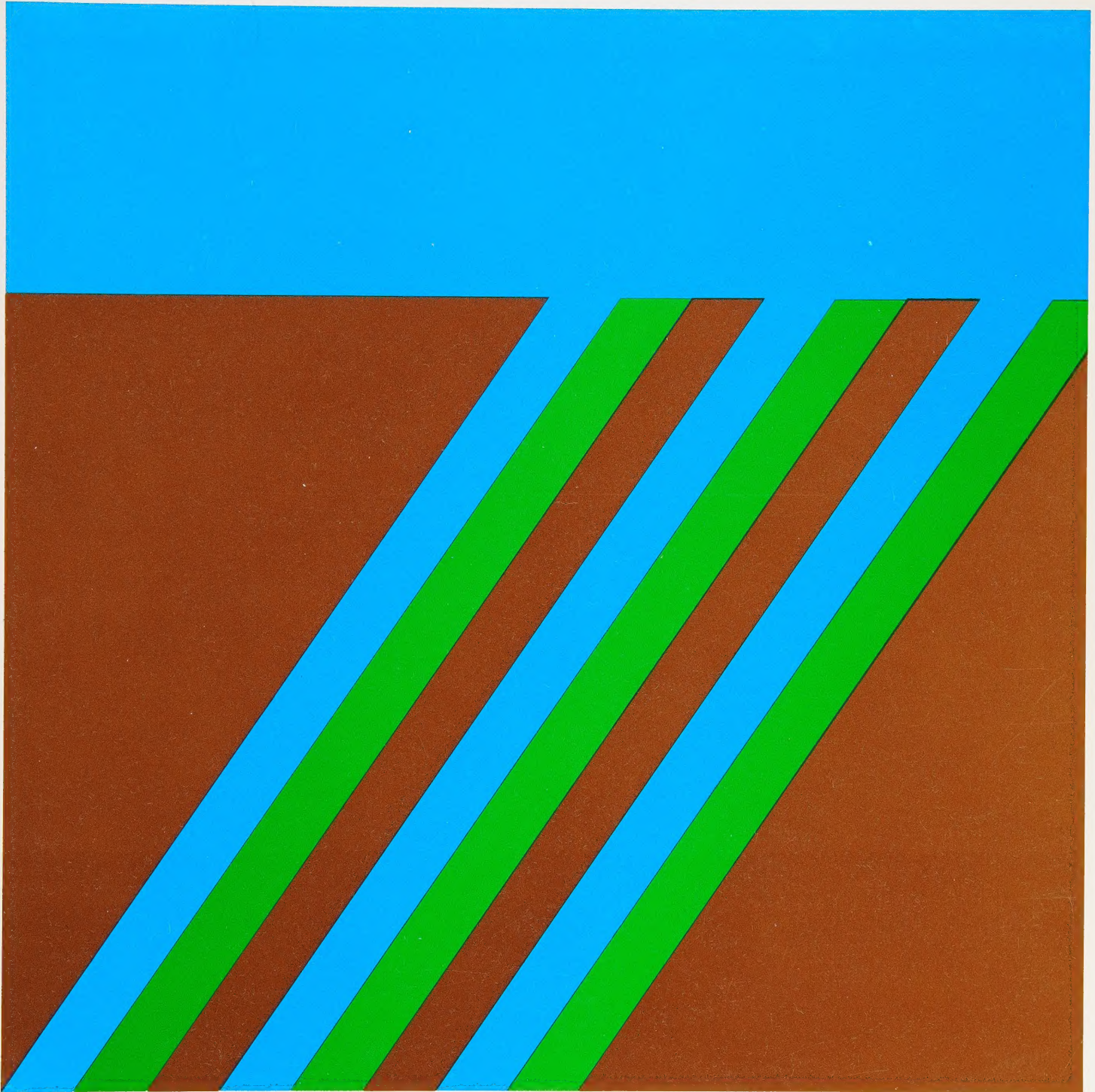


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Berrenda Mesa Water District
Kern County, California
\$2,710,000
First Issue, Series C Bonds,
General Obligation

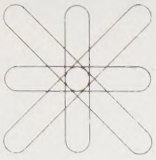


Sale: June 29, 1976
Bartle Wells Associates



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RESULTS OF JUNE 8 ELECTION

Two items on the June 8 ballot were of special significance to the Berrenda Mesa Water District.

\$17,500,000 General Obligation Bonds

Landowners in Berrenda Mesa Water District, voting in proportion to the assessed value of their landholdings, authorized \$17,500,000 of general obligation bonds. The results were \$1,831,585 for and \$11,777 against.

The additional bond amount will be necessary to continue and complete the district's amended plan of irrigation works. The district has \$24,450,000 of unissued bonds from the issue authorized in 1966, which together with the \$17,500,000 totals \$41,950,000 to complete the plan. No bonds from either issue are planned to be sold until 1982.

California State Proposition 15 - Nuclear Power Plants Initiative

Proposition 15 was defeated on the statewide ballot by about two to one. If approved, the proposition would have restricted development of nuclear energy as an alternative energy source, thus affecting the availability and cost of power to all water agencies affiliated with the State Water Project.

NEW ISSUE:**Berrenda Mesa Water District, Kern County, California
\$2,710,000 First Issue, Series C**

These bonds are general obligations of the Berrenda Mesa Water District, a California Water District located in Kern County, California. To secure payment of these bonds, the district is empowered to levy ad valorem assessments, unlimited as to rate or amount, on all taxable land in the district, but not on other real or personal property.

RATINGS:

Moody's Investors Service, Inc. _____

Standard & Poor's Corporation _____

Dated: July 1, 1976*Due:* July 1, as shown below:

Year	Amount	Rate	Yield or Price	Year	Amount	Rate	Yield or Price
1978.....	\$ 10,000	%	%	1991.....	\$100,000	%	%
1979.....	25,000			1992.....	100,000		
1980.....	25,000			1993.....	125,000		
1981.....	25,000			1994.....	125,000		
1982.....	25,000			1995.....	125,000		
1983.....	50,000			1996.....	150,000		
1984.....	50,000			1997.....	175,000		
1985.....	50,000			1998.....	200,000		
1986.....	75,000			1999.....	225,000		
1987.....	75,000			2000.....	225,000		
1988.....	75,000			2001.....	250,000		
1989.....	75,000			2002.....	250,000		
1990.....	100,000						

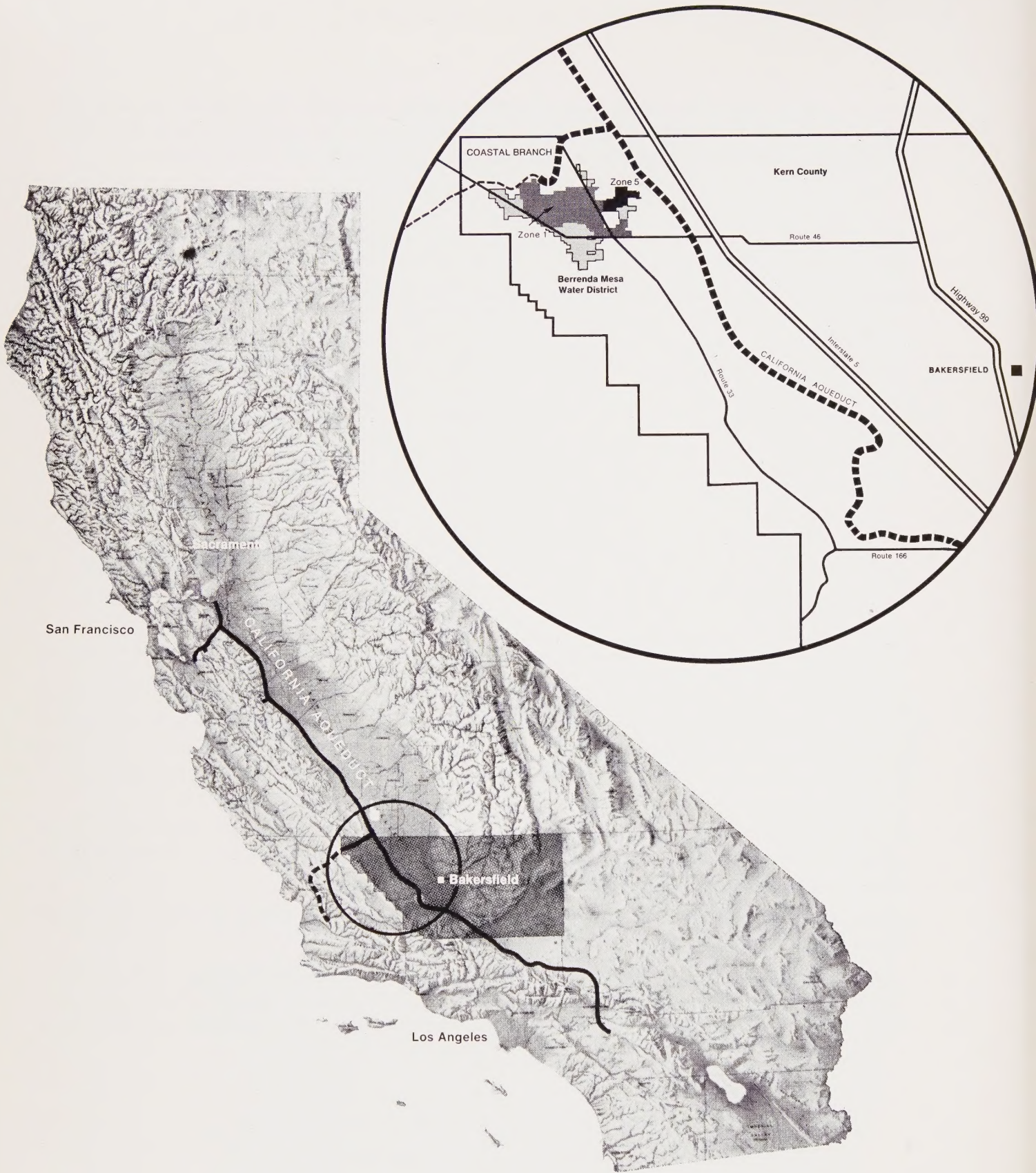
Redemption: Bonds maturing on or before July 1, 1985 (bonds numbered 1-52) are not subject to call prior to maturity. Bonds maturing on or after July 1, 1986 (bonds numbered 53-542) are subject to call, in inverse order of maturity and by lot within each maturity at the option of the district on any interest payment date on or after July 1, 1985. Premium for call is $\frac{1}{4}$ of 1 percent for each year or portion of a year from the date of redemption to the date of maturity.

Payment: Interest coupons are payable semiannually beginning January 1, 1977, at the main offices of the paying agent, United California Bank, Los Angeles and San Francisco; and at co-paying agents, Chemical Bank, New York, and Continental Illinois National Bank and Trust Company of Chicago.

Registration: These bonds will be issued as coupon bonds, payable to bearer, registrable as to principal only or both principal and interest, with provisions for deregistration.

These bonds are offered for delivery when, as and if issued, subject to the legal opinion of Rutan & Tucker, Santa Ana, California approving the validity of the bonds and stating that interest on the bonds is exempt from federal income taxes and from California personal income taxes under present statutes, regulations and judicial decisions.

DATED: May 18, 1976.



97 00744
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**OFFICIAL STATEMENT
BERRENDA MESA WATER DISTRICT
KERN COUNTY, CALIFORNIA**

1415 18th Street, Room 306
Bakersfield, California 93301

Formed September 3, 1963

BOARD OF DIRECTORS

Herbert R. Benham, Jr., *President*

Edward D. Halvajian

Ronald H. Khachigian

Jack La Grass

Bill R. Roden

H. Ronald Lampson, *Engineer-Manager and Secretary*

George Logan, *Attorney*

Chrystal G. Harris, *Treasurer, Assessor and Tax Collector*

PROFESSIONAL SERVICES

Rutan & Tucker, *Bond Counsel*

Ricks, Taylor & Associates, Inc., *Consulting Engineers*

Bartle Wells Associates, *Financing Consultants*

Karpe-Fisher Co., *Real Estate Appraisers*

Bailey, Brennan & Davis, Accountants, Inc.,
Independent Auditors

Bids to be received at the offices of Bartle Wells Associates, Shell Building Penthouse, 100 Bush Street, San Francisco, California 94104, on Tuesday, June 29, 1976 at 11:00 a.m. Pacific Daylight Time.

May 18, 1976

No dealer, broker, salesman or other person has been authorized by the district to give any information or to make any representations, other than those contained in this official statement. If given or made, such other information or representations must not be relied upon as having been authorized by the district. This official statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the bonds, by any person, in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. The information and opinions herein are subject to change without notice and neither the delivery of this official statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the district since the date hereof.

Official statement prepared by

BARTLE WELLS ASSOCIATES

Municipal Financing Consultants

100 Bush Street, San Francisco, California 94104

(415) 981-5751

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INTRODUCTION

This statement has been prepared to provide material financial information to prospective purchasers about the Berrenda Mesa Water District and its First Issue, Series C bonds. Neither the issuer nor any person on its behalf has been authorized to make any representation, express or implied, beyond what is contained in this statement. Included herein are:

- 1. Data supplied by the issuer and by other sources as indicated;*
- 2. Estimates and projections which may or may not be realized;*
- 3. Opinions not presented as assertions of fact; and*
- 4. Summaries or descriptions of legal and financial documents which do not purport to describe the documents completely and which are made expressly subject to the full provisions of the documents cited.*

This official statement does not constitute a recommendation to purchase or not to purchase the Series C bonds or any previous bonds of the issuer.

5

ISSUER

Berrenda Mesa Water District is located in northwestern Kern County in California's San Joaquin Valley. The district comprises 55,274 assessable acres. Soils are alluvial deposits, suitable for cultivation of a variety of crops. However, groundwater is limited; rainfall averages only five to seven inches per year; and irrigation is required almost year-round.

HISTORY

• **1963.** At an election August 27, landowners voted to form the Antelope Plains Water District under Division 13 of the California Water Code, a California Water District subject to the jurisdiction of the California Districts Securities Division, Office of the State Treasurer. The district was formed in September 1963 to obtain and distribute water for irrigation.

• **1965.** The district adopted the name Berrenda Mesa Water District to avoid confusion with another water agency in Kern County.

• **1966.** The board of directors by Resolution No. 30 adopted a plan of irrigation works and by Resolution No. 31 established policy for financing and staging construction of the irrigation works. On July 26, 1966, landowners authorized issuance of \$38,150,000 in general obligation bonds.

The California Districts Securities Division approved the district's proposed contract with Kern County Water Agency providing for Berrenda Mesa Water District's annual entitlements of water to a maximum of 105,000 acre-feet of water in 1990 and thereafter.

• **1967.** Berrenda Mesa Water District joined Kern County Water Agency. The district sold its \$7,990,000 First Issue, Series A bonds to finance the first phase of distribution facilities.

• **1968.** The district received its first deliveries of water through the Coastal Branch of the California Aqueduct.

• **1969.** \$350,000 of five-year warrants financed reconstruction of a district canal damaged by floods.

\$3,000,000 First Issue, Series B bonds were sold to enlarge the initial pumping and distribution system.

- **1971.** Berrenda Mesa Water District amended its contract with Kern County Water Agency to increase its annual entitlements under an agreement with another member of Kern County Water Agency. Maximum entitlement in 1990 was increased to 163,200 acre-feet.

- **1972.** The district sold \$1,000,000 of five-year warrants to reimburse landowners for advances made at the time the district enlarged its pumping facilities.

- **1975.** The second phase of irrigation works was begun with financing from construction loans of \$1,500,000 and \$100,000 from the California Department of Water Resources, in addition to excess Series B bond proceeds and district general funds.

- **1976.** On June 8, landowners will vote whether to authorize \$17,500,000 in general obligation bonds which, together with \$24,450,000 remaining from the 1966 authorization, will finance completion of the plan of irrigation works, as revised.

Series C bonds of the 1966 First Issue will be sold in the amount of \$2,710,000 to install a district turnout directly in the California Aqueduct and construct facilities to serve 4,374 acres as described under the heading "The Project."

6

SECURITY

Under the California Water District Law, assessments are levied on land only, but not personal property or other forms of real property. The district levies two types of assessments—an ad valorem assessment and a standby charge. In this official statement the ad valorem assessment will be referred to as a tax, and the term assessment will refer to the tax and standby charge combined. All taxable land in the district is subject to assessment to pay interest and principal on general obligation bonds.

WATER CONTRACT

Kern County Water Agency is the second largest contractor, after Metropolitan Water District of Southern California, to the California State Water Project. Kern County Water Agency has a 1976 entitlement of 432,800 acre-feet from the State Water Project, increasing to 1,253,400 acre-feet in 1990 and thereafter. Berrenda Mesa Water District is one of 21 member units which share in Kern County Water Agency's annual entitlements from the State Water Project. Berrenda Mesa Water District's entitlements of water from Kern County Water Agency represent 16.7 percent of the 1976 total, decreasing to 13 percent at maximum entitlement as shown above. Berrenda Mesa Water District's per unit cost, \$15.62 per acre-foot in 1976, increases to \$33.42 per acre-foot in 1990, for an equivalent unit average of \$28.46 over the life of the contract. Per unit costs drop to \$15.44 after 2036, when capital costs for the State Water Project are completely paid.

BERRENDA MESA WATER DISTRICT MAXIMUM ANNUAL ENTITLEMENT IN ACRE-Feet FROM KERN COUNTY WATER AGENCY

Year	Kern County Water Agency	Berrenda Mesa Water District	Percent Berrenda Mesa Water District Of Total	Contract Cost Per Acre-Foot
1976	716,500	119,900	16.7%	\$15.62
1980	919,200	137,500	14.9	16.85
1985	1,135,000	155,200	13.7	27.88
1990-2035.....	1,253,000	163,200	13.0	33.42
2036-2039.....	1,253,000	163,200	13.0	15.44

PROJECT FINANCING

Berrenda Mesa Water District is divided into five zones to accommodate stages of project development. Zone 1, with elevations ranging from 460 to 750 feet above sea level, contains over 50 percent of both the assessable land area and the estimated irrigable land area. This zone was the first to receive water in 1968 through the sale of \$7,990,000 Series A bonds in 1967. Capacity for water delivery was 283 cubic feet per second (cfs). Owners in Zone 1 developed lands more quickly than originally anticipated, so the 1966 plan of works was amended in 1969 to allow more rapid development in Zone 1. Series B bonds in the amount of \$3,000,000 were sold in July 1969 to increase the capacity of pumping and transmission facilities. Zone 2 facilities are being financed through state construction loans and other district funds.

Series C bonds are being offered to finance a new direct turnout from the California Aqueduct. New facilities will include pumping plants, two reservoirs, district turnouts, and 37,300 feet of pipeline. The facilities will serve Zone 5, 4,374 acres recently annexed to the district. Zone 5 is owned by two concerns, Joe Mendiburu Land and Livestock, and Getty Oil Company. Because these owners detached an equal number of acres from the district's former Zone 5, total acreage in Berrenda Mesa Water District remains the same. The project area is referred to herein as the Mendiburu-Getty annexation or project.

SOURCES OF REVENUE

The district has three revenue sources. First, district-wide ad valorem taxes are levied at a rate of \$6 per \$100 of assessed valuation of land only. For 1976, the district's assessed valuation, based on an assessment ratio of \$50 per acre, is \$2,765,960. The \$6 tax rate is equivalent to \$3 per acre, pursuant to district policy providing that lands not yet served with water shall not pay more than \$3 per acre in taxes. Second, standby charges are

levied on a per acre basis in those zones where water is available, whether water is taken or not. The basic 1976 standby rates are \$65 in Zone 1 and \$76.18 in Zone 2. The third source of revenue is the water toll, which is now \$13 per acre-foot in Zone 1 and \$19.65 per acre-foot in Zone 2. The average water toll upon completion of the Mendiburu-Getty project will be about \$14.30 per acre-foot.

District revenues are applied as follows:

1. The ad valorem tax pays for administrative and general operating expenses and for a portion of bond service on outstanding warrants and bonds.

2. Standby charges pay about 90 percent of the cost of water purchased under contract with Kern County Water Agency. Standby charges also pay a part of bond service on bonds and warrants.

3. Water tolls pay a portion of the cost of purchased water and all of the costs for pumping, transmission and distribution, meter reading and other similar expenses.

ECONOMIC FACTORS

Agriculture is Kern County's largest industry. The growing season averages about 300 days. District sources estimate that the gross crop return in 1975 was about \$14,000,000 for all crops grown in the district. Cotton had the highest value at about \$4,570,000, and almonds the second highest at \$3,770,000.

About 39,500 assessable acres are planted, or about 80 percent of the district's irrigable acreage. Irrigable acres are estimated at about 90 percent of assessable acreage. Major crops by acreage planted are as follows:

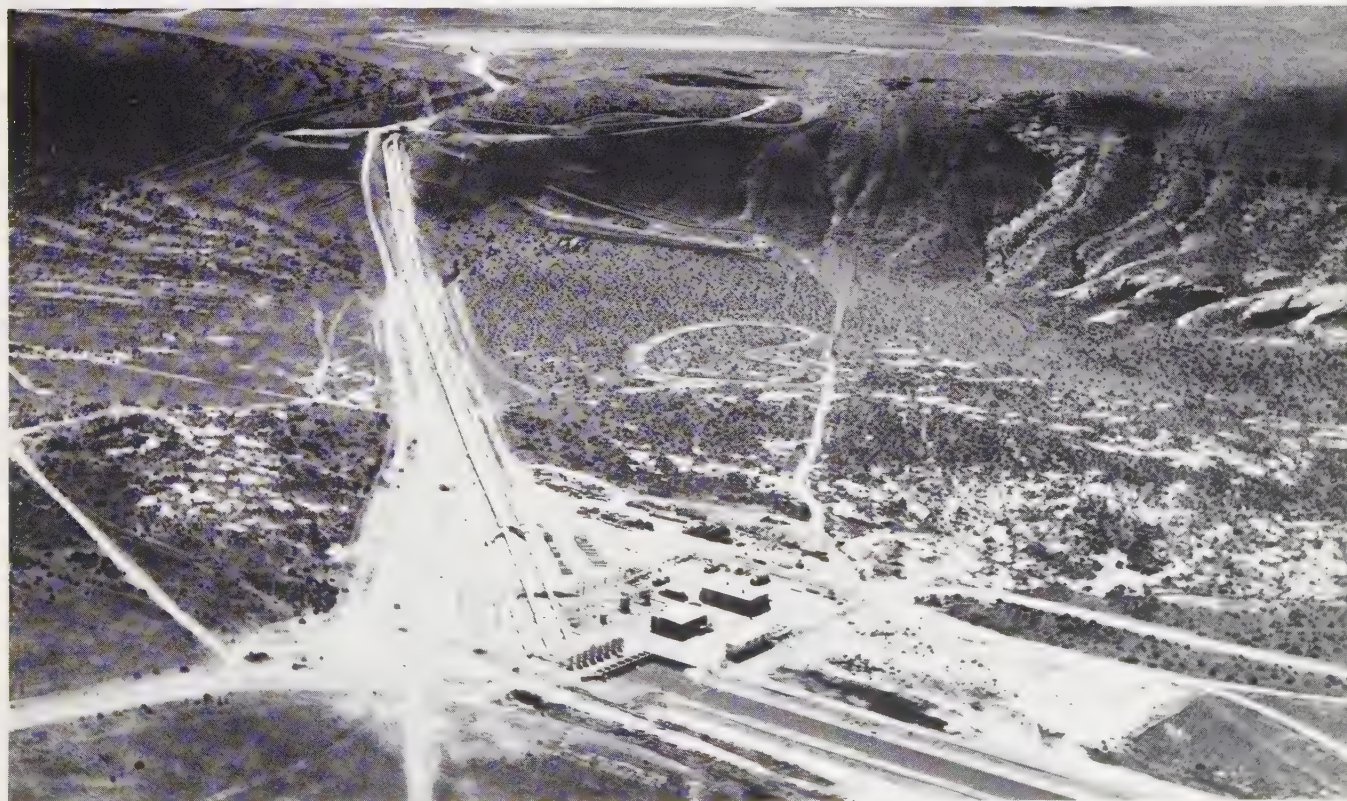
Crop	Acres Planted	Percent of District Irrigable Acres
Almonds	14,269	29.0%
Pistachio nuts	6,597	13.4
Cotton	6,530	13.3
Wine grapes	5,296	10.8
Wheat	3,500	7.1
Barley	3,230	6.5
Onions	1,480	3.0

Almonds, pistachios and wine grapes are permanent rather than annual crops. Trees and vines require from five to seven years to grow to full bearing maturity. In 1976, less than 10 percent of the almond acres are at full bearing maturity, and none of the acres planted in pistachio nuts or wine grapes are at full bearing maturity, though they may be bearing some fruit.

This introduction is not intended to summarize the official statement. Further reference should be made to subjects indexed under "Contents."

Berrenda Mesa Water District's pumping plant lies at the end of the Coastal Branch of the California Aqueduct. The plant, built using Series A bond proceeds, pumps water through penstocks to the district's afterbay reservoir and its main irrigation canal.

(Rountree photo)



THE BONDS

Description: \$2,710,000 Berrenda Mesa Water District Bonds, First Issue, Third Series, Series C, general obligation, \$5,000 denomination.

Date: July 1, 1976.

Interest: Coupons payable semiannually on January 1 and July 1, beginning January 1, 1977.

Bond Discount: 2½ percent maximum.

Maturities: Annually on July 1 as follows:

1978	\$ 10,000	1996	\$150,000
1979-82.....	25,000	1997	175,000
1983-85.....	50,000	1998	200,000
1986-89.....	75,000	1999-2000.....	225,000
1990-92.....	100,000	2001-2002.....	250,000
1993-95.....	125,000		

8 *Redemption:* Bonds maturing 1978-85 (\$260,000 principal amount) not callable. Bonds maturing 1986-2002 (\$2,450,000 principal amount) callable as a whole or in part on any interest payment date on or after July 1, 1985, in inverse order of maturity and by lot within each maturity. Premium is ¼ of 1 percent for each year or portion of a year from the date of redemption to the date of maturity.

Registration: Coupon bonds registrable as to principal only or as to both principal and interest, with provisions for deregistration.

Security: Bonds are general obligations of Berrenda Mesa Water District. The district has the power and is obligated to levy unlimited annual ad valorem assessments (taxes) on all taxable land in the district (but not on personal property or other real property) or charges which, in the discretion of the board of directors, are fixed and collected in lieu thereof.

Interest and principal payments may be made from assessments, taxes on all land, or from standby charges allocated and collected in lieu of assessments.

Tax Exemption: In the opinion of bond counsel, interest is exempt from present federal income taxes and from California personal income taxes under existing statutes, regulations, and judicial decisions.

Payment: At the main offices of United California Bank, Los Angeles and San Francisco; and at principal offices of co-paying agents in New York and Chicago.

Authority for Issuance: \$38,150,000 general obligation bonds were authorized at election June 28, 1966. Bonds issued pursuant to the California Water District Law (Water Code Sections 34000 ff.), and Section 53541

of the Government Code and resolution of issuance dated April 20, 1976. On June 8, 1976, district landowners vote whether to authorize \$17,500,000 of general obligation bonds which, with the \$24,450,000 remaining from the 1966 authorization, will finance completion of the district's plan of irrigation works, as discussed in the section "The Project."

Additional Bonds: No additional bonds will be offered for sale prior to July 1, 1977.

Annual Bond Service: The following table shows the estimated annual requirements for interest and principal for the Series C bonds, as well as actual payments required on Series A and B bonds.

Legal Opinion: The opinion of Rutan & Tucker, bond counsel, of Santa Ana, California, will be furnished to the successful bidder and printed on each bond at district's expense.

The statements of law and legal conclusions set forth in this official statement under the heading "The Bonds" have been reviewed by bond counsel. Bond counsel's employment is limited to a review of the legal procedures required for the bonds and to rendering an opinion as to the validity of the bonds and the exemption of interest on bonds from income taxation. The opinion of bond counsel will not consider or extend to any documents which bond counsel did not prepare or review or to any agreements, representations, offering circulars or other material of any kind concerning the bonds not mentioned in this paragraph.

Purpose: Bond proceeds will be used to construct irrigation water distribution and storage facilities.

State Treasurer Approval: The bonds are expected to be approved for certification at the Districts Securities Division meeting June 25, 1976. Bidders will be notified as soon as the determination is made.

Date of Sale: Tuesday, June 29, 1976 at 11:00 a.m. Pacific Daylight Time. Bonds will be awarded pursuant to the Notice Inviting Bids dated April 20, 1976.

Certificate Concerning Official Statement: As soon as possible after award of the bonds, the district will furnish the successful bidder a certificate, signed by a responsible officer of the district, to the effect that to the best of his or her knowledge and belief, and after reasonable investigation: (a) neither the official statement nor any amendment or supplement thereto contains any untrue statement of a material fact or omits to state any material fact necessary to make the statements therein, in light to the circumstances in which they were made, not misleading; (b) since the date of the official statement no event has occurred which should have been set forth in

an amendment or supplement to the official statement which has not been set forth in such an amendment or supplement; nor (c) has there been any material adverse change in the operation or financial affairs of the district since the date of such official statement.

THE CALIFORNIA DISTRICTS SECURITIES DIVISION

The California Districts Securities Division (DSD), Office of the State Treasurer, 120 Montgomery Street, San Francisco, is a state agency exercising supervisory powers pursuant to Division 10 of the Water Code. The Districts Securities Advisory Commission consists of a representative of the Department of Water Resources and four other members all appointed by the State Treas-

urer. The Advisory Commission reviews the construction and financing programs of certain types of water (and sewer) districts. Sale of bonds of these districts is subject to the approval and certification of the State Treasurer.

Berrenda Mesa Water District, formed under the California Water District Law (Water Code Sections 34000 ff.) is subject to the jurisdiction of the Districts Securities Division. Prior to approval of the sale and certification of bonds, the Division staff investigates the project, bond security, terms, and conditions. Expenditure of bond proceeds must also be approved by the State Treasurer. Districts under the jurisdiction of the Division must file an annual audit report with the Division and a monthly statement of receipts and expenditures for each bond issue until the completion of all projects, audit of receipts and expenditures, and final approval of the DSD.

BERRENDA MESA WATER DISTRICT \$2,710,000 FIRST ISSUE, SERIES C, GENERAL OBLIGATION BONDS ESTIMATED ANNUAL BOND SERVICE

Calendar Year	Series C Bonds			Combined Bond Service Series A & B	Total Annual Requirements
	Interest Estimated at 8%	Principal Maturing July 1	Total Series C		
1977.....	\$ 216,800	\$ —	\$ 216,800 ^①	\$ 833,200	\$ 1,050,000
1978.....	216,800	10,000	226,800	857,350	1,084,150
1979.....	216,000	25,000	241,000	854,100	1,095,100
1980.....	214,000	25,000	239,000	850,200	1,089,200
1981.....	212,000	25,000	237,000	845,650	1,082,650
1982.....	210,000	25,000	235,000	840,450	1,075,450
1983.....	208,000	50,000	258,000	865,600	1,123,600
1984.....	204,000	50,000	254,000	851,350	1,105,350
1985.....	200,000	50,000	250,000	842,450	1,092,450
1986.....	196,000	75,000 ^②	271,000	832,900	1,103,900
1987.....	190,000	75,000 ^②	265,000	822,700	1,087,700
1988.....	184,000	75,000 ^②	259,000	836,850	1,095,850
1989.....	178,000	75,000 ^②	253,000	822,800	1,075,800
1990.....	172,000	100,000 ^②	272,000	810,200	1,082,200
1991.....	164,000	100,000 ^②	264,000	806,150	1,070,150
1992.....	156,000	100,000 ^②	256,000	815,800	1,071,800
1993.....	148,000	125,000 ^②	273,000	808,175	1,081,175
1994.....	138,000	125,000 ^②	263,000	789,925	1,052,925
1995.....	128,000	125,000 ^②	253,000	806,050	1,059,050
1996.....	118,000	150,000 ^②	268,000	794,275	1,062,275
1997.....	106,000	175,000 ^②	281,000	806,250	1,087,250
1998.....	92,000	200,000 ^②	292,000	790,325	1,082,325
1999.....	76,000	225,000 ^②	301,000	772,975	1,073,975
2000.....	58,000	225,000 ^②	283,000	779,375	1,062,375
2001.....	40,000	250,000 ^②	290,000	757,850	1,047,850
2002.....	20,000	250,000 ^②	270,000	750,075	1,020,075
	<u>\$4,061,600</u>	<u>\$2,710,000</u>	<u>\$6,771,600</u>	<u>\$21,243,025</u>	<u>\$28,014,625</u>

① One-half funded by bond proceeds.

② Callable on or after July 1, 1985.

LOCATION

The district covers about 89 square miles of land on the northwest side of Kern County. State Routes 33 and 46 traverse the district, and Interstate 5 passes about 12 miles to the east of the district. Via Interstate 5, Berrenda Mesa Water District is about 170 miles from Los Angeles and 220 miles from Sacramento. Bakersfield is about 60 miles southeast of the district, via State Routes 46 and 99.

The California Aqueduct lies 1.5 miles east of the district. A branch of the California Aqueduct, called the Coastal Branch, curves around the northern portion of the district, now terminating at point of delivery to Berrenda Mesa Water District. By 1982 the Coastal Branch may be extended to serve San Luis Obispo County Flood Control and Water Conservation District and Santa Barbara County Flood Control and Water Conservation District.

CLIMATE AND GEOGRAPHY

Average annual rainfall is about 5 to 7 inches occurring primarily between November and April. Summers are hot and dry with temperatures averaging about 95° during June, July, and August. In winter, temperatures average about 55°. According to a Kern County climatic study the area around Berrenda Mesa Water District is slightly cooler in summer and has less fog in winter than the rest of Kern County. About 300 days of the year have temperatures above 32°. Temperatures during the winter months, November through April, may fall low enough to cause crop damage.

Soils in Berrenda Mesa Water District are associated with the Panoche and San Emigilio-Hesperia soil types. These soils are well drained, medium to moderately coarse alluvial deposits from sedimentary rock. Soils are well suited to a variety of permanent and annual crops under irrigation.

Professor J. Y. Wang, Ph.D. from San Jose State University, conducted a special microclimate study, in which he recommended methods to prevent frost damage and to guide the timing of planting to coincide with soil temperature. Blackwell Land Company and Berrenda Mesa Farming Company, who financed the study, plan to implement a permanent frost protection program suggested by Dr. Wang.

Dr. Wang has been associated with the National Academy of Sciences and the World Meteorological Organization, and has conducted soil-air studies in North and South America and other countries. Dr. Wang also recommended that the Berrenda Mesa Water District set up a permanent temperature monitoring system at various points in the district, and maintain records for the use of all district landowners. The district has accepted this responsibility.

DISTRICT ORGANIZATION

A California Water District is empowered under the law to plan, finance, construct, acquire, and operate water facilities. The district is governed by a board of five directors elected by landowners voting in proportion to the assessed value of their respective landholdings. Each board member serves for a term of four years, and must be a holder of title to land in the district.

A bill introduced in the California Assembly would limit voting rights in a California Water District to those holders of title who are residents in the district, or within 50 miles of its boundaries. The bill, AB 4227, further specifies that each voter should be at least 18 years of age and that each voter is limited to one vote. The bill has been assigned to committee for further study.

Members of the Berrenda Mesa Water District board of directors are as follows:

Herbert R. Benham, Jr., President. Mr. Benham has been a director since 1965. He is President of Berrenda Mesa Farming Company, and acts as an officer of several affiliated companies.

Edward D. Halvajian, Vice President. A director since 1972, Mr. Halvajian is employed by Blackwell Management Company as President and also acts as Executive Vice President and General Manager of Blackwell Land Company, Inc.

Ronald H. Khachigian, Deputy Treasurer. Mr. Khachigian has served on the board since 1974. He is secretary and assistant treasurer of both the Blackwell Management Company and Blackwell Land Company, Inc.

Jack La Grass has been a director since 1967. He is employed by Berrenda Mesa Farming Company as administrative assistant, and formerly represented Mobil Oil Corporation on the board.

Bill R. Roden has been a board member since 1973. He is an independent farmer in the district, and is the son-in-law of Mrs. Eleanor Still, who is one of the district's largest landowners.

H. Ronald Lampson is Engineer-Manager for the district, and secretary of the board of directors. He is a licensed registered civil engineer in California and a graduate of California Polytechnic Institute at San Luis Obispo.

Chrystal G. Harris is employed by the district and elected as Treasurer, Assessor, and Tax Collector. She has been with the district since 1969.

RESIDENTIAL AND OTHER SERVICE

The district has about 150 acres devoted to residential uses and a population of 456. Residential water sales accounted for about \$33,901 in revenue during 1975. Berrenda Mesa Water District is responsible for pipelines serving the residential area, but the source of supply is Lost Hills Water Company. Residents of the district are largely employees of the major farm management companies. About 2,300 acres of land outside the district are served with water on a temporary basis, and 3,600 acres in Zone 3 are served via landowner-financed water systems.

MAJOR LANDOWNERS

Seventeen landowners own more than 500 acres each in Berrenda Mesa Water District. Their holdings aggregate 87.8 percent of the district's 55,274 assessable acres. There are 397 parcels under 85 different ownerships in the district.

Blackwell Land Company, Inc., owned by a group of international corporations, is the district's single largest landowner and taxpayer. Blackwell owns 15,355 acres

BERRENDA MESA WATER DISTRICT
OWNERS OF MORE THAN 500 ACRES, 1976

Owner	Assessable Acres Owned (rounded to nearest acre)
Blackwell Land Company.....	15,355
Getty Oil Company.....	4,659
Mrs. Eleanor Still and Estate of Ernest Still.....	4,500
JB2H	4,050
Joe Mendiburu.....	3,733
Westside Ranch IV.....	3,291
El Vic Farm Corp.....	2,985
Shell Oil Company.....	2,232
JHRD III Corp.....	1,677
Flavy E. Davis.....	1,120
Berrenda Mesa Farming Company.....	940
Tabletop	849
Santa Maria Ranch.....	720
Lucky Tree	691
Midori	637
Society of St. Vincent de Paul.....	600
Stephans Ranch	506
Subtotal	48,545
Balance of assessable acres.....	6,729
Total Assessable Acres.....	55,274
Non-assessable acres	169
Gross Acres	55,443

or 27.8 percent of the total assessable acreage in the district, and in 1976 paid \$717,414.50 in ad valorem taxes and standby charges. Blackwell Management Company manages Blackwell Land Company's holdings, and also acts as farm manager for other owners. Blackwell Management Company acts as manager for 20,333 acres.

Subsidiaries of Blackwell Land Company, Inc. include farming joint ventures with other international corporations, and marketing companies for its fruit and nut products. Two other subsidiaries, Safewell Land Corp. and Christine Mortgage Company, own non-farm lands throughout the United States.

Getty Oil Company is the district's second largest single landowner, with 4,659 acres, including the 654 acres in the Series C bond project area. The company paid \$14,627.60 in taxes and standby charges in 1976.

Berrenda Mesa Farming Company, direct owner of 940 acres, also acts as farm manager for 30 other owners. Total acreage under the management of Berrenda Mesa Farming Company in the district is about 14,000 acres. Berrenda Mesa Farming Company manages about 4,000 acres of land in adjacent water districts, and 2,000 acres outside Berrenda Mesa Water District. The company is

affiliated with several companies in the area, including an agricultural chemical cooperative, an irrigation service, a cotton cooperative, and Berrenda Mesa Farms, a marketing company for products grown on lands managed by Berrenda Mesa Farming Company.

LITIGATION

In the opinion of counsel for the district, the district is not a party to any existing or pending litigation which would materially impair the ability of the district to service its bonded indebtedness.

EMPLOYEE RETIREMENT PLAN

Berrenda Mesa Water District's employee retirement plan is a defined contribution plan administered by a committee appointed by the district's board of directors. Each regular full-time employee contributes 3 percent of his compensation (or at his option, up to 10 percent of his compensation) and the district contributes 9 percent of each participant's compensation.

A participant whose employment is terminated prior to retirement is entitled to all of his own contributions

Blackwell Land Company, Inc., is headquartered near Highway 46 in the district. The company owns 15,355 acres, or 27.7 percent of the district's total assessable acres. About 10,000 acres of its holdings are in Zone 1. (*Rountree photo*)





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Berrenda Mesa Farming Company is the district's second largest farming management company. In Berrenda Mesa Water District the company manages about 14,000 acres for 30 individual landowners. (Rountree photo)

plus his vested interest in the district's contributions, together with interest and earnings on his account. Vesting is 10 percent after three years of employment increasing to 100 percent on completion of the 12th year.

Employees retire at age 65 or upon permanent physical or mental disability. At that time, the employee is entitled to receive in retirement income payments the total amount of all contributions and earnings, interest and profit credited to his account. The retirement committee may distribute the entire balance in the participant's account or purchase a paid-up annuity, as requested by the participant.

A participant in the plan may withdraw from the plan without terminating his employment. All district-contributed funds and earnings are forfeited by the employee and used by the district to partially fund future district contributions to the plan.

The table below shows the number of employees covered each year since 1971 and the total amount paid

by the district to employees' accounts. Assets in the plan on December 31, 1975 were \$47,704.

BERRENDA MESA WATER DISTRICT EMPLOYEE'S RETIREMENT PLAN DISTRICT CONTRIBUTIONS

Year	Number of Employees Covered	Amount Paid By District
1971.....	13	\$10,045.11
1972.....	14	11,541.78
1973.....	14	11,387.45
1974.....	14	13,013.94
1975.....	12	12,410.89

Source: Berrenda Mesa Water District.

THE STATE WATER PROJECT

The State Water Project is designed to deliver 4,230,000 acre-feet of water per year to water-deficient areas in central and southern California. Construction of the project was authorized by the California Legislature in 1951. In the general election of November 1960, the Burns-Porter Act was passed which authorized issuance of \$1.75 billion in state general obligation bonds to finance the major portion of the project. Thirty-one local agencies, including Kern County Water Agency, have executed contracts with the Department of Water Resources and have agreed to repay over \$2 billion in costs of facilities required for conserving and transporting this water. The California Aqueduct, the State Water Project's primary transmission facility, flows through Kern County, about 1.5 miles from the eastern portion of Berrenda Mesa Water District.

WATER CONTRACTS

14 Berrenda Mesa Water District contracts with Kern County Water Agency under a basic water supply contract, approved by the Districts Securities Division in 1966. The contract initially provided a maximum annual entitlement of 105,100 acre-feet of water from the State Water Project in 1990. The contract was amended in 1971 to increase the maximum annual entitlement to 163,200 acre-feet in 1990. The increased entitlement was bought from Semitropic Water Storage District.

Berrenda Mesa Water District contracted with Semitropic to reimburse it for its release and transfer of the water entitlements and then amended its own contract with Kern County Water Agency. Berrenda Mesa Water District paid \$154,000 for these entitlements.

The table below shows Berrenda Mesa Water District's annual entitlements to State Water Project Water under its contract with Kern County Water Agency.

BERRENDA MESA WATER DISTRICT WATER ENTITLEMENT IN ACRE-FEET*

1976.....	119,900	1984.....	152,600
1977.....	124,100	1985.....	155,200
1978.....	128,900	1986.....	158,200
1979.....	133,400	1987.....	160,300
1980.....	137,500	1988.....	161,900
1981.....	141,900	1989.....	162,800
1982.....	145,800	1990-2039	163,200
1983.....	148,900		

* Under contract with Kern County Water Agency.

SUPPLEMENTAL WATER

Kern County Water Agency's basic water supply contracts with its member agencies provide for a firm supply of water on a long-term basis. Additional water, called supplemental water, is available on a less firm basis under short-term contracts. According to the Kern County Water Agency's 1974-1975 report, the supplemental water policy provides a system of priorities for water short years and a system of year-to-year contracts for supplemental water to all members when available. Actual water deliveries are summarized below.

BERRENDA MESA WATER DISTRICT SUMMARY OF ACTUAL WATER USED

Year	Total Used in Acre-Feet	Acre-Feet Used (Under) or Over Entitlement
1968	71,657	—
1969	52,094	—
1970	71,910	—
1971	98,481	—
1972	107,850	—
1973	94,828	(772)
1974	103,143	(7,557)
1975	126,375	11,275
1976 (3 months).....	28,238	n.a.

FUTURE WATER COST AND AVAILABILITY

Electric power costs for the California State Water Project are scheduled for renegotiation in 1978, with the new rates to take effect in 1983. The new rates will depend partly upon the rate of construction of generating facilities, partly upon the type of facilities constructed, and partly upon whether they are to be publicly or privately financed. Although the extent of any change in applicable electric power rates cannot be precisely estimated at this time, electric power costs for the State Water Project are expected to rise substantially in 1983. The overall price which the state water system charges to water wholesaling agencies is determined by a formula based upon amortization of system capital costs, amortization of conservation facilities costs, fixed operating costs, and variable operating costs, the most substantial of which is the cost of electric power.

Passage of a nuclear power initiative June 8 may result in delay or possible prohibition of nuclear power plants in California, reducing amounts of power available for pumping and further increasing costs for all contractors.

THE PROJECT

MENDIBURU-GETTY PROJECT

Under the current project, 4,374 acres of land at the southern end of the district were detached and 4,374 acres adjacent to the eastern edge of the district were annexed. The detachment-annexation is to relieve the Coastal Branch of its potential obligation to serve 4,374 acres at the greatest distance from the Coastal Branch pump station. The detached acres, formerly designated Zone 5, would have been the most expensive to provide with irrigation service. The 4,374 acres located between the California Aqueduct and the district's existing eastern boundary have now been designated Zone 5. These acres will be served directly from the California Aqueduct.

Landowners involved in the land transfer are Joe Mendiburu Land and Livestock and Getty Oil Company. Both are among the district's five largest landowners. The annexations and detachments include 3,720 of Mendiburu land and 654 acres of Getty land. The Mendiburu property is planted with winter grain, and the Getty property is not yet planted. The Getty property will be leased out when water is available. Mendiburu has stated his intent to plant his land with about 1/3 cotton, 1/3 grain and 1/3 row crops. After two years, he intends to rotate these crops so as not to deplete the soil. Mendiburu has already invested about \$1,000,000 in land preparation and on-site improvements. The detached property owned by Mendiburu and Getty will be used for cattle grazing as rainfall permits.

PROJECT COSTS

The project has been designed to provide the annexed Mendiburu-Getty property with the same level of water service that the rest of the district receives under the master plan of irrigation works. The distribution system provides a turnout within 1/2 mile of each 160-acre parcel, located as requested by landowners.

Project works include a new turnout from the California Aqueduct, at an elevation of 308 feet above sea level. A 2,050 hp pumping plant pumps water through 22,400 feet of pipeline to a reservoir at an elevation of 483. A 710 hp pumping plant pumps water through 12,200 feet of pipeline to a second reservoir at elevation 553. Capacity of the pumping plant and pipeline to the lower reservoir provides a design flow of 54 cfs.

Construction costs were estimated by Ricks, Taylor & Associates, Inc. of Bakersfield, the district's consulting engineers. The table at right details estimated project costs. Installation of the Mendiburu-Getty project faci-

ties are estimated at \$2,396,000 including contingencies. As shown in the table of Series C bond proceeds, reserve for bond discount, interest during construction, and bond issuance costs bring the total bond amount to \$2,710,000.

BERRENDA MESA WATER DISTRICT
\$2,710,000 FIRST ISSUE, SERIES C
ALLOCATION OF BOND PROCEEDS

Estimated construction cost, Mendiburu-Getty Project	\$2,396,000	
Reserve for bond discount ^①	67,750	
Six months' funded interest during construction ^②	108,400	15
Legal, financial, Districts Securities Division, and other administrative costs	137,850	
Total	\$2,710,000	

① 2½ percent maximum.
② Estimated at 8 percent.

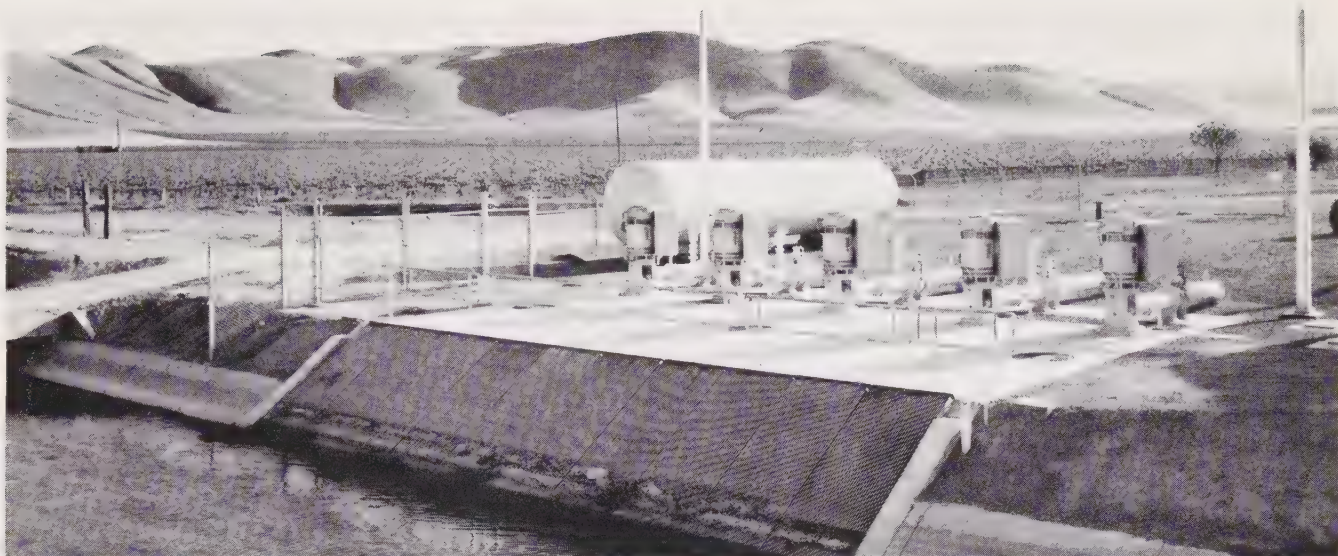
BERRENDA MESA WATER DISTRICT
MENDIBURU-GETTY PROJECT
ESTIMATE OF CONSTRUCTION COSTS

California Aqueduct turnout and pump plant...	\$ 428,000
Reservoirs and booster pump plant	190,000
Pipeline—Aqueduct to lower reservoir	821,700
Pipeline—lower reservoir to upper reservoir	384,300
Total Estimated Construction Cost	\$1,824,000
15% contingencies	\$ 273,500
15% engineering design & construction, supervision & incidental expenses	273,500
Rights-of-way acquisition	25,000
Total Estimated Cost	\$2,396,000

Source: Ricks, Taylor & Associates, Inc.

DISTRICT DEVELOPMENT PLAN

The plan of irrigation works was adopted by the district by Resolution No. 30 on May 26, 1966. The plan provided for stages of construction to supply water for irrigation to all property in the district. The district



The Ernest M. Still pumping plant began operating in January of this year, to serve land in Zone 2. Ernest M. Still served as a director from the time of the district's organization in 1963 until his death in 1973. (Rountree photo)

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planned its water development project to provide at least one point of water delivery to each quarter-section (160 acres) and designed facilities to deliver about 3.5 acre-feet of water per irrigable acre per year. It has since been determined that ultimate water demand will probably not exceed 3 acre-feet per acre. Except for main canals, the distribution system consists of closed conduits to reduce operating costs and water losses and to minimize the amount of land area used and purchased for rights-of-way.

In the development of the project, two major principles were established by the directors:

1. All land in the district is entitled to water based on allocation by the Kern County Water Agency. Therefore, the district would construct, as quickly as feasible, a distribution system capable of serving the entire area.

2. All land in the district benefits from development anywhere in the district, both from the availability of water and decreased water costs.

In order to accommodate the stages of project development, the district has been subdivided into zones according to the year of water delivery. The accompanying table shows each zone and its status of development.

BERRENDA MESA WATER DISTRICT DEVELOPMENT ZONES

Zone	Approximate Elevation (feet above sea level)	Estimated Year of Water Delivery	Area	
			Assessable Acres	Irrigable Acres
1	460' to 750'	1968	31,857	28,671
1.5	900' to 950'	1983	275	248
2 Initial	760' to 1,000'	1976	1,324 ^①	1,192
2 Final	760' to 900'	1983	3,997	3,597
3	750' to 900'	1983	10,019 ^②	9,017
4	875' to 1,100'	1983	2,678	2,410
5	410' to 610'	1977	4,374 ^③	3,933
			54,524	49,068
Non-Assessable Acres (district rights-of-way, etc.)			919	—
Total Gross Acres			55,443	49,068

① Zone 2—Approximately 3,000 acres in addition to the 1,324 acres shown above are being served in 1976 with landowner-financed systems.

② Zone 3—Approximately 3,600 acres of this zone began receiving service in 1973 with landowner-financed systems.

③ Mendiburu-Getty annexation.

FINANCING POLICY

The same day that the district adopted its irrigation plan of works, Resolution No. 31 was approved stating the district's financing policy. Under this financing plan, as assessed valuation increases through development of water facilities and plantings, the district can support additional bonds to finance subsequent phases of development. The first phase was the initial distribution system in Zone 1, closest to the Coastal Branch of the California Aqueduct and at the lowest elevation.

Planting took place faster than originally anticipated, and the district amended its plan of irrigation works to allow for increased growth in Zone 1.

The financing plan provides for the issuance of general obligation bonds secured by all lands in the district, in order to afford maximum security for the bondholders and justify lower interest costs than would be appropriate for improvement district or assessment district financing.

A districtwide tax is levied on an ad valorem basis, but the rate is limited to \$3 per acre per year in non-service areas. The proceeds of this levy cover general administrative costs and a minor part of bond service. The fixed cost component of the water contract with Kern County Water Agency and the balance of bond service are paid from standby charges imposed on land to which water service is available; i.e., there is a district turnout located no more than ½ mile from each 160-acre parcel.

The district has scheduled its water tolls to include pumping costs. Water tolls in Zone 1 are \$13 per acre-foot, whereas in Zone 2, at a higher elevation and further from the Coastal Branch, landowners pay \$19.65 per acre-foot. Water tolls in future zones of development will be determined by the costs of pumping water into each zone.

COMPLETED BOND PROJECTS

In January 1967, \$7,990,000 First Issue, Series A, general obligation bonds were sold to finance construction of the initial turnout from the Coastal Branch and distribution facilities in Zone 1. These facilities began operation in 1968. Because of accelerated development in Zone 1, the district's board of directors determined that it was in the best long-term interest of the district at that time to develop Zone 1 to the maximum rather than expand water service at a lower level of intensity.

The \$3,000,000 First Issue, Series B bonds were sold in July 1969 to finance added pumping capacity in the district's pump station 'A' and the two state pumping stations on the Coastal Branch. These additions increased the district's pumping capacity to 400 cfs and the capacity of pumps in the Coastal Branch to their ultimate capacity of 450 cfs. Because the Coastal Branch now terminates at Berrenda Mesa Water District, full capacity will be available to the district. If the branch is extended to serve San Luis Obispo and Santa Barbara

Counties, it would probably be some time after 1982. At that time the district's peaking capacity in the Coastal Branch will begin to revert to 283 cfs, and the peaking capacity in the California Aqueduct may be used.

SHORT-TERM BORROWING

The district sold warrants in 1968 and 1972. Warrants are also subject to the approval of the DSD. The first warrant issue was for \$350,000 to finance reconstruction of the district's main irrigation canal which had been damaged by floods. These warrants were paid off in 1974. The 1972 warrant issue of \$1,000,000 was used to reimburse two property owners for funds they advanced at the time the pumping plants were being enlarged. Blackwell Land Company and Flavy E. Davis, the two landowners, were repaid under the terms of the agreements with the district. The final principal payment of \$300,000 on the 1972 warrants will be in February 1977.

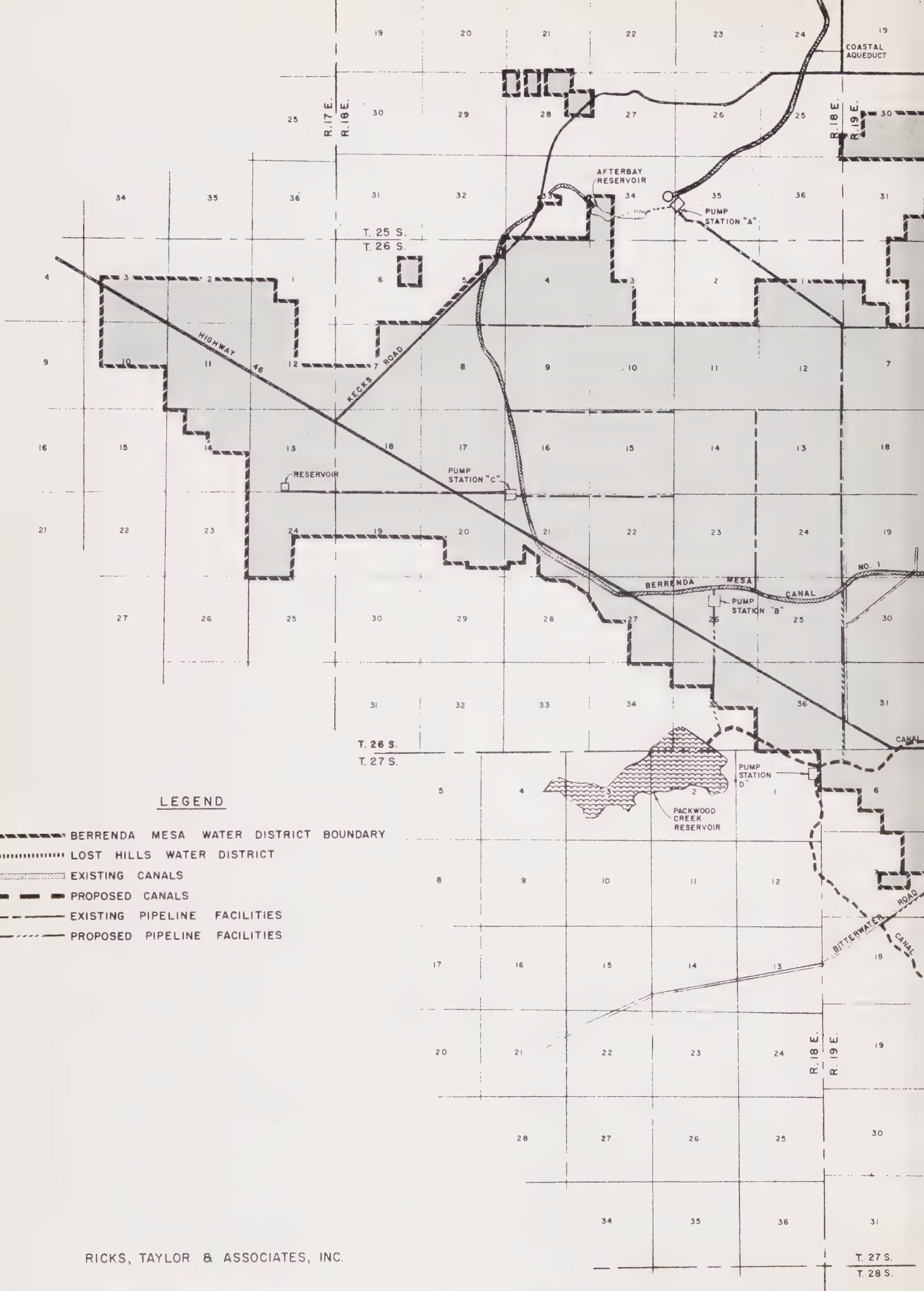
STATE LOANS

Development in Zone 2 has occurred through facilities financed by construction loans. About 3,000 acres in Zone 2 are now served with water. The district received two construction loans in 1975 from the State of California Department of Water Resources. The first loan of \$1,500,000 and the second loan of \$100,000 are being used for development of water facilities in Zone 2. The district's combined annual requirements to pay the state loans total \$97,056. The loans bear interest at 4.374 percent on the unpaid balance, payable in 71 equal semi-annual installments beginning in 1980. The table on page 22 shows the district's complete debt service to final maturity including the state loans.

FUTURE STAGES OF DEVELOPMENT

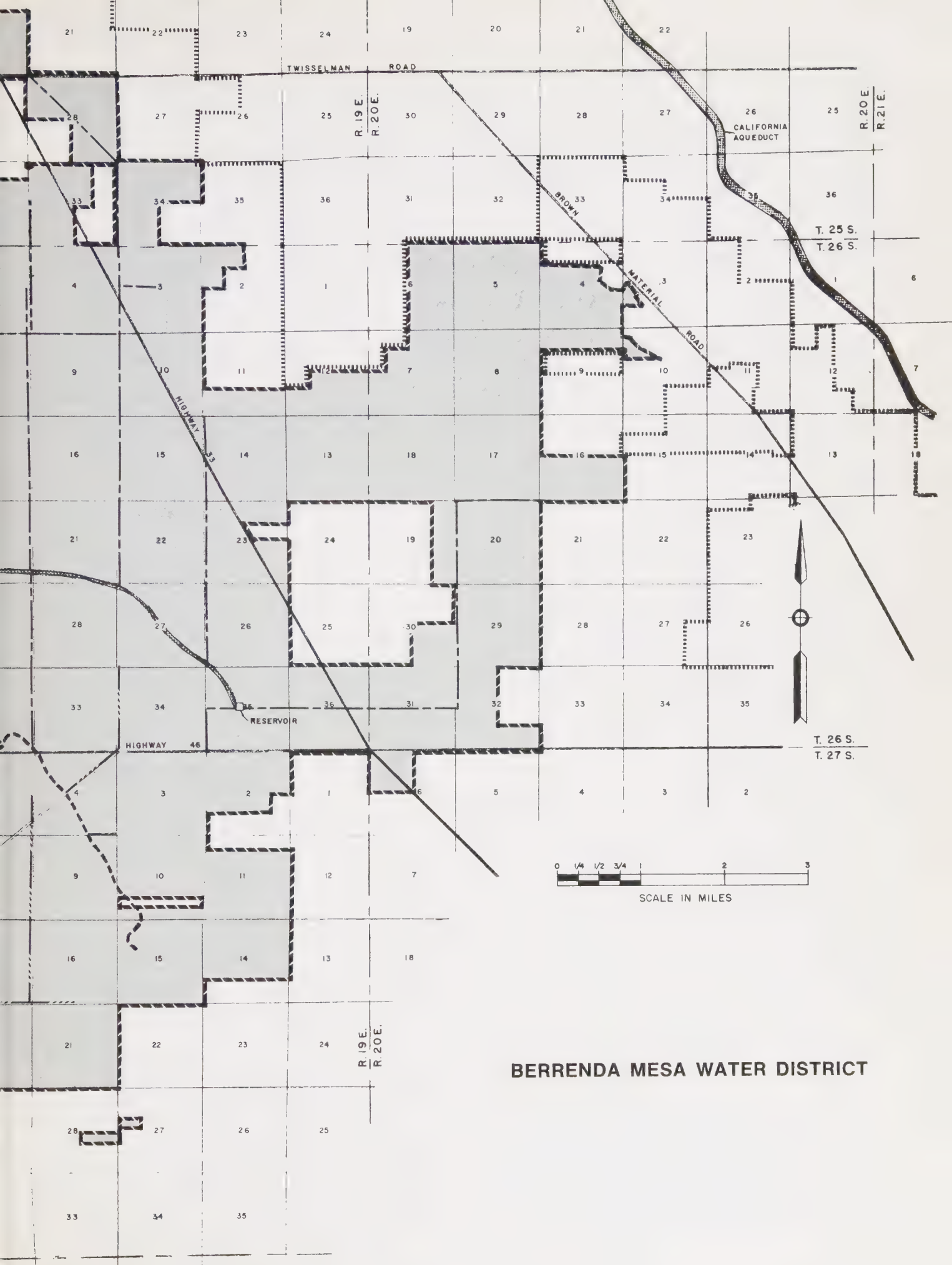
Development in Zone 1.5 and final development in Zones 2, 3 and 4 is planned for sometime after 1983. By that time the district will know whether these lands will be served from the Coastal Branch or the California Aqueduct. If the Coastal Branch is not extended to serve contractors in San Luis Obispo and Santa Barbara Counties, Berrenda Mesa Water District can operate at its full capacity, 450 cfs, and serve its undeveloped lands from the Coastal Branch.

If those contractors decide to take delivery of their entitlements, Berrenda Mesa Water District's capacity in the Coastal Branch will begin to revert back to 283 cfs, and construction of a dam and reservoir on Packwood Creek will be necessary. The district does have 150 cfs unused capacity in the California Aqueduct, which, if capacity in the Coastal Branch is reduced, will require the storage reservoir or additional pumping and distribution facilities from the California Aqueduct.



LEGEND

- BERRENDA MESA WATER DISTRICT BOUNDARY
- LOST HILLS WATER DISTRICT
- EXISTING CANALS
- PROPOSED CANALS
- EXISTING PIPELINE FACILITIES
- PROPOSED PIPELINE FACILITIES



BERRENDA MESA WATER DISTRICT

DISTRICT FINANCIAL DATA

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Berrenda Mesa Water District, under the California Water District Law, has authority to assess land in the district and to levy and collect district taxes and assessments. The district elected to begin its own assessment and tax collection in 1967. Mrs. Chrystal G. Harris acts as the district's Treasurer, Assessor and Tax Collector. The district operates on a calendar year basis.

ASSESSED VALUATIONS AND ASSESSMENTS

Land is the tax base, not crops, buildings, or other forms of personal or real property. Kern County's 1975/76 assessed valuation for land in the district is \$3,479,720. The district assesses its own land at \$50 per acre excluding district rights-of-way. Assessed valuations for the past seven years are shown at right. At \$50 per acre, the 1976 assessed valuation is \$2,765,960. The tax rate of \$6 per \$100 of assessed valuation is equivalent to \$3 per acre, pursuant to district policy that taxes for bond service shall not exceed \$3 per acre in areas not yet served with water. This policy insures that undeveloped land does not have an excessive tax burden. Ad valorem taxes account for about 10 percent of the district's assessments.

Standby charges, levied on acreage served with water, generate about 90 percent of district assessments. Standby rates are \$65 per acre (with minor variations) in Zone 1 and \$76.18 per acre on 1,334 acres in Zone 2. These charges plus the ad valorem tax pay bond service on all outstanding bonds and the capital cost component of the contract with Kern County Water Agency.

BERRENDA MESA WATER DISTRICT ASSESSED VALUATIONS AND TAX RATES (DISTRICT ASSESSED)

Calendar Year	Land Only Assessed Valuation	Tax Rate Per \$100 of Assessed Valuation
1969.....	\$3,347,620*	\$8.85
1970.....	2,823,010	6.00
1971.....	2,759,700	6.00
1972.....	2,755,800	6.00
1973.....	2,776,130	6.00
1974.....	2,758,930	6.00
1975.....	2,763,390	6.00
1976.....	2,765,960	6.00

* Reflects 18-month accounting period when district converted from fiscal to calendar year basis.

Source: Annual audit reports as prepared by the district's independent auditors, Bailey, Brennan & Davis, Accountants, Inc., Bakersfield.

MAXIMUM PROPERTY TAX RATE

The maximum property tax rate which may be levied by or on behalf of a special district such as Berrenda Mesa Water District, is described commencing with Section 2201 of the California Revenue and Taxation Code.

Berrenda Mesa Water District operates on a calendar year, and by statute the maximum tax rate which may be

**BERRENDA MESA WATER DISTRICT
1975/76 TAX RATES (PER \$100 ASSESSED VALUATION)*
CODE AREA 88-04**

County of Kern.....	\$3.5871
West Side Hospital Maintenance.....	0.0416
West Side Mosquito Abatement District.....	0.0600
Kern County Water Agency.....	0.0440
Kern County Water Zone No. 1.....	0.0175
Schools and Kern Community College.....	3.9640
Total	\$7.7142

* Taxes levied on county tax bill. District collects taxes separately.

Source: Auditor-Controller, Kern County.

**BERRENDA MESA WATER DISTRICT
KERN COUNTY ASSESSED VALUATIONS, 1975/76**

Code Area Number	Secured	Unsecured	Total*
88-04.....	\$ 9,722,104	\$1,000,169	\$10,722,273
88-05.....	1,329,673	12,105	1,341,778
88-09.....	4,320	—	4,320
88-10.....	8,780	—	8,780
88-15.....	36,520	1,100	37,620
	<u>\$11,101,397</u>	<u>\$1,013,374</u>	<u>\$12,114,771</u>

* Includes homeowners' and business inventory exemptions.

Source: Auditor-Controller, Kern County.

levied is that levied in either calendar 1972 or 1973, at the option of the district's board of directors, or as authorized by qualified voters.

Berrenda Mesa Water District may levy a rate in addition to its maximum property tax to pay costs mandated by the federal government, by the courts, or by initiative enactment, which are not funded by federal or state government, and to pay interest and principal on bonded and other indebtedness.

Rate increases are also provided for in Section 2266.1. The maximum tax rate may be increased in proportion to the increase in the county's equalized secured assessment roll for property in the district, from the 1972/73 fiscal year. Under this statute, the maximum allowable tax rate would be \$8.40 per \$100 of assessed valuation in 1976.

BOND SERVICE REQUIREMENTS

The table on the next page shows the district's annual debt requirements on its general obligation bonds, its warrants, and its state loans. Debt service on Series C bonds is estimated at 8 percent.

Series C bond service will add an estimated \$1.00 per acre to the annual per acre costs of all land served with districtwide financed water (37,800 acres). The table below shows the estimated annual standby charge, water costs, and the ad valorem tax from 1977 to 1986. The estimates include allowance for power cost increases in 1983. The tabulation shows the capacity of the acres served with water to support bond service for the next ten years or until further bond projects will call for adjustment in bond service requirements.

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**BERRENDA MESA WATER DISTRICT
ESTIMATED ANNUAL COSTS PER ACRE
ALL ACRES WITH WATER SERVICE AVAILABLE^①**

Year	Standby Charge Per Acre	Water Toll		Ad Valorem Tax Per Acre	Total Per Acre (rounded to nearest \$)
		Per Acre-Foot Rate ^②	Estimated Amount Paid		
1977.....	\$71.00	\$14.30	\$50.00	\$3.00	\$124
1978.....	70.00	12.80	44.80	3.00	118
1979.....	74.00	12.80	44.80	3.00	122
1980.....	78.00	11.90	41.65	3.00	123
1981.....	78.00	11.90	41.65	3.00	123
1982.....	80.00	11.90	41.65	3.00	125
1983.....	81.00	22.80	79.30	3.00	164
1984.....	83.00	21.80	76.30	3.00	162
1985.....	85.00	21.80	76.30	3.00	164
1986.....	86.00	21.30	76.30	3.00	164

① 37,800 acres including Mendiburu-Getty annexation; does not include acres served by landowner-financed systems.

② Average water toll on all acreage served—based on maximum use of 3.5 acre-feet per acre. Estimates include power cost increases expected in 1983.

Source: Berrenda Mesa Water District.

**BERRENDA MESA WATER DISTRICT
TOTAL ANNUAL DEBT SERVICE**

Calendar Year	\$7,990,000 Series A 1967	\$3,000,000 Series B 1969	Estimated \$2,710,000 Series C 1976	\$350,000 Warrants 1969	\$1,000,000 Warrants 1972	\$1,500,000 State Loan	\$100,000 State Loan	Total Annual Debt Service
1970.....	\$509,350	\$ —		\$80,125				\$ 589,475
1971.....	549,350	202,050		81,675				833,075
1972.....	566,750	227,050		82,937				876,737
1973.....	582,850	225,300		83,913	\$185,000			1,077,063
1974.....	597,650	223,550		84,600	177,850			1,083,650
1975.....	611,150	221,800			180,700			1,013,650
1976.....	613,650	220,050			333,000			1,166,700
1977.....	614,900	218,300	\$216,800*		328,500			1,378,500
1978.....	615,800	241,550	226,800					1,084,150
1979.....	616,050	238,050	241,000					1,095,100
1980.....	615,650	234,550	239,000			\$91,056	\$6,070	1,186,326
1981.....	614,600	231,050	237,000			91,056	6,070	1,179,776
1982.....	612,900	227,550	235,000			91,056	6,070	1,172,576
1983.....	616,550	249,050	258,000			91,056	6,070	1,220,726
1984.....	607,550	243,800	254,000			91,056	6,070	1,202,476
1985.....	603,900	238,550	250,000			91,056	6,070	1,189,576
1986.....	599,600	233,300	271,000			91,056	6,070	1,201,026
1987.....	594,650	228,050	265,000			91,056	6,070	1,184,826
1988.....	589,050	247,800	259,000			91,056	6,070	1,192,976
1989.....	582,000	240,800	253,000			91,056	6,070	1,172,926
1990.....	575,900	234,300	272,000			91,056	6,070	1,179,326
1991.....	578,350	227,800	264,000			91,056	6,070	1,167,276
1992.....	569,500	246,300	256,000			91,056	6,070	1,168,926
1993.....	570,000	238,175	273,000			91,056	6,070	1,178,301
1994.....	560,000	229,925	263,000			91,056	6,070	1,150,051
1995.....	559,375	246,675	253,000			91,056	6,070	1,156,176
1996.....	557,500	236,775	268,000			91,056	6,070	1,159,401
1997.....	554,375	251,875	281,000			91,056	6,070	1,184,376
1998.....	550,000	240,325	292,000			91,056	6,070	1,179,451
1999.....	544,375	228,600	301,000			91,056	6,070	1,171,101
2000.....	537,500	241,875	283,000			91,056	6,070	1,159,501
2001.....	529,375	228,475	290,000			91,056	6,070	1,144,976
2002.....	510,000	240,075	270,000			91,056	6,070	1,117,201
2003.....						91,056	6,070	97,126
2004.....						91,056	6,070	97,126
2005.....						91,056	6,070	97,126
2006.....						91,056	6,070	97,126
2007.....						91,056	6,070	97,126
2008.....						91,056	6,070	97,126
2009.....						91,056	6,070	97,126
2010.....						91,056	6,070	97,126
2011.....						91,056	6,070	97,126
2012.....						91,056	6,070	97,126
2013.....						91,056	6,070	97,126
2014.....						91,056	6,070	97,126
2015.....						45,486	3,129	48,615

* One-half funded by bond proceeds.

TAX COLLECTIONS AND DELINQUENCIES

The district levies its taxes and standby charges as provided in the Sections 36550 to 37150 of the California Water Code. Taxes for each calendar year may be paid in two equal installments. The first installment becomes delinquent if not paid by the last business day in May. The second installment becomes delinquent if not paid by the last business day in September. Upon delinquency, a penalty of 5 percent of the delinquent assessment is added and the property is conveyed to the district.

Property sold to the district for delinquent assessments may be redeemed within three years of the date it was conveyed to the district. The redemptioner must pay the amount of delinquent assessments and 5 percent penalty, together with interest on that amount at 9 percent per year from the date of delinquency, but not less than $\frac{3}{4}$ of 1 percent for any portion of a month. In addition, the redemptioner must pay the recorder's fees and the cost of publication of the delinquent notice.

If the property is not redeemed after three years, the district tax collector records a collector's deed conveying title on the property to the district. Taxes levied for state, county, municipal or other district purposes remain as a lien on the property. Title acquired by the district may be sold at public auction or private sale.

Property sold for delinquent assessments is still assessed during the three years, as if it never had been conveyed in lieu of taxes. The district treasurer must estimate that portion of the amount belonging to the general obligation bond fund and pay it from the general fund into the general obligation bond fund.

As shown in the accompanying table, the district has had a delinquency rate below 2 percent for the past four years, and below $5\frac{1}{2}$ percent for the three years prior to that. Kern County reports that delinquency on the county-assessed secured tax levy in the district has been below 1 percent for the past 3 years.

APPRAISED VALUE OF LAND

Jerrold E. Fisher, of Karpe-Fisher Co., Real Estate Appraisers, conducted an appraisal of land in the district as of May 1, 1976. In the appraiser's opinion, the estimated market value of land is as follows:

Permanent planted areas	\$ 82,666,000
Cultivated land for field crops	15,720,000
Grazing land, rights-of-way, and other	3,390,000
District facilities (depreciated value)	10,250,000
Total	\$112,026,000
Rounded to	\$112,000,000

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BERRENDA MESA WATER DISTRICT TAX AND STANDBY CHARGE DELINQUENCIES

Calendar Year	Ad Valorem Tax			Standby Charge		
	Amount Levied	Amount Collected	Percent Delinquent December 31	Amount Levied	Amount Collected	Percent Delinquent December 31
1969*	\$296,265	\$267,342	9.76	\$ 822,670	\$ 795,670	3.33
1970	169,381	157,246	7.16	672,754	638,982	5.02
1971	165,582	161,123	2.69	1,289,119	1,227,428	4.79
1972	165,337	163,773	0.95	2,074,823	2,044,601	1.46
1973	165,322	160,116	3.15	2,022,811	1,997,128	1.27
1974	165,430	159,547	3.56	1,765,706	1,756,661	0.51
1975	166,162	165,091	0.65	2,432,093	2,416,477	0.64

Calendar Year	Overall Delinquent Taxes and Standby Charges, December 31		Amount Received From Prior Years	Net Collections Over (Under) Assessments
	Amount	Percent		
1969*	\$ 56,322	5.03	\$60,979	\$ 4,657
1970	45,907	5.45	25,756	(20,151)
1971	66,150	4.55	44,481	(21,669)
1972	31,786	1.42	56,724	24,938
1973	30,889	1.41	12,589	(18,300)
1974	14,928	0.77	65,366	50,438
1975	16,687	0.64	16,392	(295)

* Reflects 18-month accounting period when district converted from fiscal to calendar year basis.

Source: Annual audit reports as prepared by the district's independent auditors, Bailey, Brennan & Davis, Accountants, Inc., Bakersfield.

Appraised value per assessable acre (55,274) is about \$2,000. A copy of the appraiser's letter is included as an appendix to this official statement.

In conjunction with the sale of Series B bonds, the appraiser valued the land in Berrenda Mesa Water District at \$19,758,000. The 1976 estimate of market value is about five times above the appraiser's 1968 estimate, primarily because substantial land areas in the district

have been planted to permanent crops; additional lands are now being irrigated; and that there have been additional improvements by landowners and the district.

DISTRICT FINANCIAL STATEMENTS

District statements of income (revenues and expenses) have been summarized in the accompanying table. The district's financial statements are prepared on an accrual

BERRENDA MESA WATER DISTRICT FIVE-YEAR STATEMENT OF INCOME AND CURRENT BUDGET

	1971	1972	1973	1974	1975	Budget 1976
OPERATING INCOME						
Revenues						
Water sales						
Residential	\$ —	\$ —	\$ 10,958	\$ 29,847	\$ 33,901	n.a.
Irrigation	1,404,938	850,631	1,138,218	1,164,520	1,517,918	n.a.
Total Water Sales	\$1,404,938	\$ 850,631	\$1,149,176	\$1,194,367	\$1,551,819	\$1,737,673
Expenses						
Source of supply (purchased water)	\$1,391,774	\$1,485,076	\$1,615,333	\$1,609,536	\$1,877,338	\$2,908,523 ^①
Pumping	292,930	348,955	362,576	507,948	645,069	855,950
Transmission & distribution	152,581	135,895	166,802	319,013	187,874	228,615
Customer accounts	9,537	17,171	16,183	18,562	19,775	23,150
Administration & general	153,746	117,505	118,814	142,259	160,481	139,400
Depreciation	120,350	165,460	169,510	174,117	166,441	—
Taxes	112	634	108	416	99	300
Other operating	23,080	8,366	7,584	24,520	21,325	21,000
	\$2,144,110	\$2,279,062	\$2,456,910	\$2,796,371	\$3,078,402	\$4,176,938
Net Operating Income	(\$ 739,172)	(\$1,428,431)	(\$1,307,734)	(\$1,602,004)	(\$1,526,583)	(\$2,439,265)
NON-OPERATING INCOME						
Revenues						
Interest revenues	\$ 182,787	\$ 117,673	\$ 151,935	\$ 229,717	\$ 174,572	\$ 110,000
Taxes & assessments	1,454,992	2,240,160	2,188,133	1,931,136	2,598,254	2,340,760
Other income	98,000	11,836	13,266	5,969	12,093	1,447,180 ^②
Total Non-Operating Income	\$1,735,779	\$2,369,669	\$2,353,334	\$2,166,822	\$2,784,919	\$3,897,940
Expenses						
Interest on long-term debt						
Warrants	\$ 4,672	\$ 44,476	\$ 41,839	\$ 35,665	\$ 29,054	\$ 328,500
Bonds	710,100	705,975	699,675	692,075	683,175	828,175
Total Non-Operating Expenses	\$ 714,772	\$ 750,451	\$ 741,514	\$ 727,740	\$ 712,229	\$1,458,765 ^③
Net Non-Operating Income	\$1,021,007	\$1,619,218	\$1,611,820	\$1,439,082	\$2,072,690	\$2,439,265
Net Income (Loss)	\$ 281,835	\$ 190,787	\$ 304,086	(\$ 162,922)	\$ 546,107	\$ —

① Budgeted cost of water includes cost of 1975 water plus 60% of fixed costs for 1976 water.

② Standby charge revenues carried over from 1975.

③ Includes bond and warrant principal amounts and reserves of \$302,000, audited income statements include interest only.

Source: Compiled from annual audits prepared by Bailey, Brennan & Davis, Accountants, Inc., Bakersfield.

**BERRENDA MESA WATER DISTRICT
BALANCE SHEETS, ALL FUNDS
FIVE-YEAR SUMMARY**

	1971	1972	1973	1974	1975	
ASSETS						
Current assets						
Cash on hand, on deposit and temporary investments	\$ 2,993,324	\$ 2,963,514	\$ 2,911,396	\$ 3,244,742	\$ 3,421,640	
Accounts receivable	303,366	689,169	2,964,012	3,420,827	3,365,334	
Due from other funds	32,438	4,065	818	—	7,637	
Accrued interest on investments	24,830	24,999	25,886	10,708	15,333	
Total Current Assets	\$ 3,353,958	\$ 3,681,747	\$ 5,902,112	\$ 6,676,277	\$ 6,809,944	
General properties and equipment ^①	\$10,180,495	\$10,051,404	\$ 9,961,862	\$10,051,942	\$11,511,478	
Prepaid expenses	3,000	3,000	3,000	3,000	3,000	
Security deposit	—	—	30,000	—	—	
Deferred interest accrued on state loans	—	—	—	—	55,768	
Bonds authorized — unissued	27,160,000	27,160,000	27,160,000	27,160,000	27,160,000	
Total Assets	\$40,697,453	\$40,896,151	\$43,056,974	\$43,891,219	\$45,540,190	
LIABILITIES AND EQUITY						
Current liabilities						
Accounts payable	\$ 2,083,487	\$ 1,037,154	\$ 1,399,263	\$ 1,646,584	\$ 1,641,975	25
Payroll withholding payable	632	1,356	—	—	—	
Deferred income or prepaid taxes ^②	—	191,154	1,931,046	2,598,395	2,338,334	
Due to other funds	32,438	4,065	818	—	7,637	
Bonds payable	85,000	105,000	125,000	145,000	155,000	
Warrants payable	65,000	130,000	130,000	140,000	300,000	
Bond interest payable	—	—	—	343,975	339,200	
Warrant interest payable	2,803	43,542	37,881	32,221	26,125	
Total Current Liabilities	\$ 2,269,360	\$ 1,512,271	\$ 3,624,008	\$ 4,906,175	\$ 4,808,271	
Deferred interest payable on state loans	—	—	—	—	\$ 55,768	
Long-term liabilities						
1972 Warrants	\$ 65,000	\$ 1,000,000	\$ 870,000	\$ 740,000	\$ 600,000	
1967 Series A bonds	7,950,000	7,890,000	7,810,000	7,710,000	7,590,000	
1969 Series B bonds	3,000,000	2,975,000	2,950,000	2,925,000	2,900,000	
Loans from State Department of Water Resources	—	—	—	—	1,600,000	
Total Long-term Liabilities	\$11,015,000	\$11,865,000	\$11,630,000	\$11,375,000	\$12,690,000	
Less current maturities included above	150,000	235,000	255,000	285,000	455,000	
Total Long-term Liabilities, Net	\$10,865,000	\$11,630,000	\$11,375,000	\$11,090,000	\$12,235,000	
EQUITY						
Surplus						
Reserve for authorized expenditures	\$27,160,000	\$27,160,000	\$27,160,000	\$27,160,000	\$27,160,000	
Bond Reserve Fund	1,150,000	1,150,000	1,150,000	1,150,000	1,150,000	
Interest in fixed assets	—	—	—	—	(1,178,522)	
Fund balances	(746,907)	(556,120)	(252,034)	(414,956)	(1,178,522)	
Total Liabilities and Equity	\$40,697,453	\$40,896,151	\$43,056,974	\$43,891,219	\$45,540,190	

① Cost less accumulated depreciation.

② Prepaid taxes only in 1972; other years show deferred income.

Source: Compiled from annual audits prepared by Bailey, Brennan & Davis, Accountants, Inc., Bakersfield.

basis, except the budget, which is on a cash basis. A summary of the district's balance sheets for the past five years is also shown in this section of the official statement.

The district's primary source of operating income is irrigation water sales. Primary expenses are water purchased from Kern County Water Agency, pumping costs, and transmission and distribution. Pumping costs have increased substantially in the past two years, due both to the increases on fuel and electricity and to the installation of a new pump station in the district. Transmission and distribution costs increased in 1974 due to construction of the pumping plant.

Major sources of non-operating income are interest and district taxes and assessments. The district was able to reduce standby charges in 1974, but they have been increased again in 1975, to cover interest on Series C bonds which will be payable January 1, 1977.

Two years of working capital statements for the general fund are shown in the accompanying table.

DIRECT AND OVERLAPPING DEBT

A statement of direct and overlapping debt as of June 29, 1976 is shown in the accompanying table. Direct debt includes the district's outstanding Series A and B bonds, and the Series C bonds to be sold. Direct and

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BERRENDA MESA WATER DISTRICT DIRECT AND OVERLAPPING BONDED DEBT

	Percent Applicable	Debt June 29, 1976
Kern County Joint Union High School District	0.119%	\$ 3,035
Kern Community College District (1915 Act bond)	0.735	1,985
Berrenda Mesa Water District.	100.	13,500,000 ^①
Total Direct and Overlapping Bonded Debt		\$13,505,020

Ratios to:	Assessed Valuation (All Property) ^②	Appraised Value ^③
Direct debt.	111.43%	12.05
Total debt	111.48	12.06

Authorized and Unsold Bonds:

Berrenda Mesa Water District. \$24,450,000

① Includes \$2,710,000 to be sold June 29, 1976.

② Based on all-property assessed valuation of \$12,114,771.

③ \$112,000,000 appraised as of May 1, 1976 (see Appendix A).

Source: Based on information provided by California Municipal Statistics, Inc.

overlapping debt per assessable acre is about \$244. Debt statistics have been provided by California Municipal Statistics, Inc.

BERRENDA MESA WATER DISTRICT STATEMENT OF CHANGES IN FINANCIAL POSITION GENERAL FUND TWO-YEAR SUMMARY

	1974	1975
Funds were provided by:		
Net income	\$ —	\$1,116,604
Non-cash charges included in net income (or net loss)		
Depreciation	174,117	166,441
Adjustment-inventory	—	4,745
Sale of fixed assets	96	—
Total	\$ 174,213	\$1,289,840

Funds were applied:		
Net loss	\$ 162,922	\$ —
Purchase of plant and equipment	234,293	12,131
Transfer to Debt Service Fund ..	255,000	812,799
Increase in current portion of long-term debt	30,000	—
Total	\$ 682,215	\$ 824,930

Increase (Decrease) in Working Capital	(\$ 508,002)	\$ 464,910
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Current Assets

Cash on deposit and temporary investments	\$ 333,346	\$ 64,168
Accounts receivable	456,815	(55,493)
Accrued interest on investments	(15,178)	915
Due from other funds	—	6,688
Total Current Assets	\$ 774,983	\$ 16,278

Current Liabilities

Accounts payable	\$ (247,321)	\$ 189,520
Deferred income	(667,349)	260,061
Due to other funds	—	(949)
Current portion of long-term debt	(30,000)	—
Bond interest payable	(343,975)	—
Warrant interest payable	5,660	—
Total Current Liabilities	(\$1,282,985)	\$ 448,632

Increase (Decrease) in Working Capital	\$ (508,002)	\$ 464,910
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Source: Compiled from annual audits prepared by Bailey, Brennan & Davis, Accountants, Inc., Bakersfield.

KERN COUNTY AGRICULTURE

Agriculture has long dominated Kern County industry. The Kern County Agricultural Commissioner reports in the 1975 Agricultural Crop Report that the estimated value of direct farm marketings in 1975 was \$744,307,575, an increase of 5.3 percent over 1974. Direct farm marketings represents a gross FOB value, not net income to the farmer. Total harvested acreage in 1975 was 926,349, an increase of 46,936 acres over 1974.

Cotton is the county's most important crop. Total 1975 value, including seed, was estimated at \$196,985,000. Yield was estimated at 1,170 pounds per acre at an average price of \$.53 per pound. Grapes, the second largest crop, were valued at \$84,627,000, and potatoes were third, valued at \$65,602,000. Kern County had a total of 38 crops valued at over \$1,000,000 in 1975. The agricultural commissioner estimated that the impact on the economy of Kern County from agricultural production is about \$4,466,000,000. This estimate reflects the assumption that for every dollar derived from direct farm marketings, at least another five dollars is generated in related agri-business industries.

AGRICULTURAL DEVELOPMENT IN BERRENDA MESA WATER DISTRICT

Before the first deliveries of state project water beginning in 1968, only 2,000 acres in the district were irrigated, using local ground water sources.

The district's agricultural potential is 49,000 irrigable acres. As of 1975, 39,582 acres were planted, about 80 percent of the total irrigable acres.

BERRENDA MESA WATER DISTRICT 1975 CROP PATTERN

Crop	Year of Planting	Acreage	Percent of County Acreage
Almonds	1966	80	
Bearing @ 4th year....	1968	1,147	
Full crop @ 6th year...	1969	631	
	1970	1,420	
	1971	4,800	
	1972	1,160	
	1974	4,437	
	1975	594	
		14,269	27.3%
Pistachios	1971	611	
Bearing @ 5th year....	1973	2,640	
Full crop @ 7th year...	1974	3,346	
		6,597	49.0
Wine Grapes	1971	716	
Bearing @ 3rd year....	1972	3,007	
Full crop @ 6th year...	1973	758	
	1974	815	
		5,296	11.8
Row crops*		13,420	1.9
Total		39,582	

* Row crops include cotton, wheat, barley, milo, tomatoes, onions, and garlic.

**BERRENDA MESA WATER DISTRICT
ESTIMATED CROP VALUE SUMMARY**

Crop ^①	1971			1972			1973		
	Acres	Yield	Value	Acres	Yield	Value	Acres	Yield	Value
Almonds	8,696	275	\$ 275,000	11,000	617	\$ 777,420	11,000	1,162	\$ 3,056,060
Grapes	708	—	—	3,760	—	—	4,505	3,100	468,100
Pistachios	594	—	—	594	—	—	3,080	—	—
Cotton ^②	7,850	21,600	3,265,920	13,800	37,950	5,646,960	11,490	31,600	9,100,800
Wheat	160	320	17,600	—	—	—	—	—	—
Barley	290	580	31,900	600	1,200	69,000	2,140	4,280	308,160
Peppers	—	—	—	—	—	—	560	3,360	1,599,360
Potatoes	160	3,200	134,400	—	—	—	160	3,040	364,800
Onions	—	—	—	—	—	—	—	—	—
Garlic	—	—	—	—	—	—	—	—	—
Tomatoes	—	—	—	—	—	—	560	11,760	399,840
Beans	—	—	—	—	—	—	880	1,320	765,600
Sugar beets	8,200	196,800	2,676,480	1,100	27,500	390,500	—	—	—
Misc. vegetables...	—	—	—	400	—	425,160	—	—	—
Total	26,658		\$6,401,300	31,254		\$ 7,309,040	34,375		\$16,062,720

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Crop ^①	1974			1975		
	Acres	Yield	Value	Acres	Yield	Value
Almonds	13,080	2,750	\$ 4,400,000	14,269	2,900	\$ 3,770,000
Grapes	6,560	2,627	249,565	5,296	27,990	1,755,000
Pistachios	5,296	—	—	6,597	—	—
Cotton ^②	9,060	24,915	5,979,600	6,530	17,960	4,569,024
Wheat	—	—	—	3,500	7,000	910,000
Barley	1,154	2,308	242,340	3,230	6,460	658,920
Peppers	—	—	—	—	—	—
Potatoes	320	6,080	668,800	—	—	—
Onions	400	10,800	502,200	1,480	26,640	1,411,920
Garlic	—	—	—	240	1,344	215,712
Tomatoes	560	11,200	636,160	640	12,160	705,280
Beans	—	—	—	—	—	—
Sugar beets	—	—	—	—	—	—
Misc. vegetables	—	—	—	100	—	10,000
Total	36,430		\$12,678,665	41,882 ^③		\$14,005,856

① Crop yields expressed in tons (except cotton).

② Cotton yields expressed in bales.

③ Includes 2,300 acres served outside district on a temporary basis.

Source: Developed by Berrenda Mesa Water District from Kern County agricultural statistics.

Almonds. Almonds, eighth in importance in the county, are the district's most important single crop in terms of number of acres. At the end of 1975, 14,269 acres were planted in almonds, though only 3,278 were of bearing age. Almond trees begin to bear in their fourth year and yield a full crop in their sixth. The value of the district's 1975 almond crop is estimated at about \$3,770,000. When the planted acreage reaches full maturity, almond yields should increase substantially.

Pistachio Nuts. The pistachio nut was introduced into California about 80 years ago. According to the Kern County Agricultural Crop Report for 1975, about 13,400 acres of pistachio nuts have been planted in recent years, and the crop has commercial potential. Most pistachios currently on the market are imported from Iran, Turkey, and China. The U.S. Department of Commerce estimates that in 1974 about 25 million pounds were imported, valued at \$25,761,000.

Berrenda Mesa Water District has about half of Kern County's pistachio acreage, though none of the trees are of mature bearing age. A tree is considered mature at about 8 years of age and produces about 300 pounds of nuts in shell per acre. Based on those yields, the pistachio acreage in Berrenda Mesa Water District should yield a total of almost 2 million pounds of nuts when all trees now planted reach maturity.

Cotton. Cotton is an annual row crop. Currently about 6,530 acres in the district, including the Mendiburu acres are planted in cotton, and in 1975, cotton yielded an estimated \$4,569,000. Cotton must not be planted on the same land for too many seasons or it will develop wilt. Growers practice crop rotation between cotton and various grains.

Wine Grapes. About 5,300 acres of wine grapes are planted in the district. About 700 acres are now bearing but are still two years from bearing a full crop at maturity. Some of the varieties of wine grapes include Chenin Blanc, Napa Gamay, Ruby Cabernet, Barbera, Rubired, Roy, French Colombard, and Grenache.

WATER PAYMENT CAPACITIES

Farm operators must grow crops that provide adequate water payment capacity. Water payment capacity is an agricultural concept whereby the gross revenue of

a crop is compared to the costs incurred in producing the crops, except water costs. The residual is a measure of what the crop could afford to pay for water.

The information in the table below is based on estimates from Blackwell Land Company, the district's largest landowner. The company's major crops are wine grapes, pistachios and almonds. A pro forma cash flow for those crops shows an adequate water payment capacity at maturity.

DRIP IRRIGATION

About 7,930 acres of permanent plantings in the district (almonds, pistachios, and wine grapes) are being irrigated using the drip method. An emitter at the base of each tree or vine releases water slowly, thoroughly and deeply soaking the soil. Liquid fertilizer may be added to the water. Using drip irrigation, less water is lost due to evaporation than by using standard sprinkler or furrow irrigation. In addition, when water is applied only to the base of each tree or vine, less water is available for weed growth between the plants. The district's consulting engineer estimates that growers could save up to 50 percent on water, especially in the early years of plant development, by using the drip method.

Blackwell Management Company and Berrenda Mesa Farming Company, the two largest farming groups, have 4,450 and 3,480 acres respectively under drip irrigation.

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BERRENDA MESA WATER DISTRICT ESTIMATED ONE ACRE PRO FORMA CASH FLOW MAJOR CROPS, AT MATURITY

	Grapes	Pistachios	Almonds
Revenues			
Yield, at full maturity.....	11.2 tons	3,800 lbs.	1,700 lbs.
Price per unit ^①	\$103/ton	\$0.96/lb.	\$0.92/lb.
Gross Revenue	\$1,153	\$3,648	\$1,564
Less profit (10%).....	\$1,038	\$3,283	\$1,408
Expenses			
Operating Costs (includes irrigation, cultural, harvest and haul, property tax and general administration).....	\$ 655	\$ 755	\$ 480
Water Payment Capacity.....	\$ 383	\$2,528	\$ 928
Water Costs^②			
Standby charge.....	\$ 74	\$ 74	\$ 74
Ad valorem tax.....	3	3	3
Water toll (estimated usage 3.5 acre-feet per acre)	45	45	45
Total Water Costs.....	\$ 122	\$ 122	\$ 122

① Past three-year average.

② Based on five-year average of future estimated costs, after completion of Series C bond project.

Source: Blackwell Land Company.

TRANSPORTATION AND UTILITIES

State highways 33 and 46 bisect Berrenda Mesa Water District, intersecting at Blackwell's Corner, a small commercial area in the southern portion of the district. State highway 46 is the district's major link to the three most important north-south highways in California. Via state highway 46, U.S. 101 is about 35 miles west of the district at Paso Robles, Interstate 5 is about 12 miles to the west, and state highway 99 is about 35 miles from the district. These three north-south routes provide access to major metropolitan markets in Los Angeles, San Fran-

cisco and to regional distribution centers in Fresno and Bakersfield.

Both Blackwell Land Company, Inc. and Berrenda Mesa Farming Company maintain private air facilities in the district. Blackwell Land Company, Inc. has a 3,600-foot paved airstrip adjacent to their headquarters. The Berrenda Mesa Farming Company airstrip is adjacent to its processing facility near highway 33.

Utilities serving Berrenda Mesa Water District are Pacific Gas & Electric Company and Continental Telephone Company.



Left: These varietal wine grapes were planted two years ago by El Vic Farming Company. The district has about 5,300 acres planted in wine grapes.

Below: These are mature almond trees in Zone 1 planted in 1969. Almonds brought an estimated return of \$3,770,000 in 1975. Almond acreage accounts for about 27 percent of the district's irrigable acres.

(Rountree photos)



KARPE-FISHER CO

Real Estate Appraisers

ELMER F. KARPE, MAI - Founder
JERROLD E. FISHER, SRPA, ARA, SR/WA
BRUCE BEAUDOIN - MAI - SRA

4006 MING AVENUE - MAILING ADDRESS: P. O. BOX 1968
BAKERSFIELD, CALIFORNIA 93303
Telephone: (805) 832-0322

May 14, 1976

Board of Directors RE: File #741-10
Berrenda Mesa Water District Appraisal
1415 - 18th Street, Room 306 Berrenda Mesa Water District
Bakersfield, California 93301 Kern County, California

Attention: Mr. H. Ronald Lampson
Engineer-Manager

Gentlemen:

At Mr. Lampson's request, we are herewith submitting our appraisal of the lands of the Berrenda Mesa Water District, Kern County, California. As further requested by Mr. Lampson, a formal appraisal report with all documentation has not been prepared. Factual data, studies and analyses which have been utilized in our appraisal in order to form the opinion of value shown herein is retained in our files and, upon request, can be made available.

The purpose of the appraisal is to estimate the market value of the property within the District to include land, permanent plantings and District improvements subject to the limiting conditions shown as of May 1, 1976.

Market value as herein used is defined as the highest price estimated in terms of money which the property will

bring if exposed for sale in the open market by a willing seller, allowing a reasonable time to find a buyer, neither buyer nor seller acting under compulsion, both having full knowledge of all the uses and purposes to which the property is best adapted and for which it is capable of being used, and both exercising intelligent judgment.

In the acceptance of this appraisal assignment and the completion of the appraisal report, submitted herewith, it has been assumed by the appraiser:

1. That the title to the property is marketable.
2. That no responsibility is assumed by the appraiser for legal matters, especially those affecting title to the property.
3. That the legal description as given is correct.
4. That certain opinions, estimates, data and statistics furnished by others in the course of my investigation are correct.
5. That the value estimated and reported is in dollars on the basis of the currency and banking exchange, prevailing on the date of the appraisal.
6. That the management of the property is competent and the ownership is in competent hands.
7. That testimony or attendance in court by reason of this appraisal with reference to the property in question shall not be required unless prior arrangements are made.
8. That neither all nor any contents of this report shall be conveyed to the public through advertising, public relations, news, sales, or through other media without the written consent and approval of the client and or author.

As a result of our investigation and study, it is our opinion that the market value as of May 1, 1976 is the sum of ONE HUNDRED TWELVE MILLION DOLLARS - (\$112,000,000.00).

The following information describes the property and provides the basic supporting data from which the value opinion is derived.

THE DISTRICT

The Berrenda Mesa Water District is located in the northwesterly portion of Kern County, California approximately 60 miles northwest of the City of Bakersfield, the center of Kern County government. Access to the area is good by State Highway 46 which connects to Interstate

Highway 5 in the Lost Hills area approximately 10 miles to the east. The Berrenda Mesa Water District was formed to contract for water from the State Water Project with initial deliveries of this imported water occurring during 1968. The District encompasses a total acreage of 55,443.65 acres and is located within the quadrants of the intersection of State Highways 46 and 33. Prior to the importation of water, the majority of lands in the District were utilized for grazing purposes with the exception of a small portion lying north of Highway 46 which was farmed utilizing deep wells equipped with turbine pumps. Petroleum production was also found in the area at that time.

Since the importation of water, substantial areas within the District have been developed for irrigated farm land purposes. Initial development was entirely within Zone 1 of the District followed by development in a portion of Zone 3 and, more recently, in 1975 in Zone 2. Land use within the District today is summarized as follows:

Permanent Plantings

Almonds - 2-11th leaf	14,269.00 Acres
Pistachios - 3-6th leaf	6,597.00 Acres
Varietal Wine Grapes- 3-6th leaf	5,296.00 Acres

Open Land

Cultivated Land for Field Crops	15,720.00 Acres
Grazing Land	<u>13,561.65</u> Acres
Total	55,443.65 Acres

Permanent plantings described above approximate 47 per cent of the total lands within the District, cultivated land for field crops - 28 per cent, and grazing land and District rights of way - 25 per cent.

Permanent plantings within the District are primarily in Zone 1. All permanent plantings rely upon permanent type solid set and drip type irrigation systems.

Development to date has been primarily by large farming interests who have established farm headquarters, processing facilities and good quality labor housing within their land ownerships.

The trend in the Berrenda Mesa Water District is classed upwards and relates to the following:

1. Substantial land development to include ground preparation and the installation of permanent type irrigation systems for the established tree and vine crops.
2. Construction of District facilities since 1968.
3. A general upwards trend in commodity prices particularly field crops as opposed to past years which has affected demand for agricultural lands in the San Joaquin Valley.

Demand for land is strong and considered a seller's market at the present time. There have been offsetting trends with regards the varietal grape industry due to overplanting within the Valley; however, a more optimistic attitude is emerging this year. All indications are that present trends will continue in the foreseeable future tempered by fluctuations in commodity prices.

VALUATION

In this study the Cost, Market Data and Income Approaches to value have all been considered. In addition, the appraisers are familiar with the District having been involved in land valuations of the entire District and ownerships with the District since 1965. Other factors that have been considered include trends in other farming districts formed since importation of water from the California Aqueduct to include market activity and demand for these type lands.

After considering all of the factors discussed, it is our opinion that the valuation of the Berrenda Mesa Water District is as follows:

Permanent Plantings

Almonds - 14,269 Acres	\$45,342,000
Pistachios - 6,597 Acres	24,556,000
Varietal Wine Grapes - 5,296 Acres	12,768,000

Open Land

Cultivated Land for Field Crops - 15,720 Acres	\$15,720,000
Grazing Land, Rights of Way, etc. - 13,561.65 Acres	<u>3,390,000</u>

Total	\$101,776,000
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The values arrived at for the different land classifications within the District are based upon different valuations depending upon age of plantings, type of irrigation systems and land condition. Almonds were valued within a range of \$2,000 - \$3,500 per acre; pistachios \$3,300 - \$3,700 per acre; varietal wine grapes \$2,200 - \$2,500 per acre; cultivated land at \$1,000 per acre; and the grazing land at \$250 per acre.

In addition to valuations shown above, the District improvements required to deliver water to the areas within the District now being farmed have been considered. District improvements to date total \$13,000,000 which includes the replacement cost new to install District pump stations, reservoirs, main canal and lateral facilities for turnouts. Of the \$13,000,000, \$11,000,000 was spent for initial construction of the District facilities primarily to transport water into Zones 1 and 3 while \$2,000,000 was spent in 1975 to provide water service to Zone 2. The depreciated value of the District improvements today is estimated to be \$10,250,000.

In conclusion and after careful consideration of all factors utilized to arrive at the opinion of value shown, it is our opinion that the market value of the District is as follows:

1. Permanent Planted Areas	\$82,666,000
2. Cultivated Land for Field Crops	15,720,000
3. Grazing Land, etc.	3,390,000
4. District Facilities	<u>10,250,000</u>
Total	\$112,026,000
Rounded To	<u>\$112,000,000</u>

CERTIFICATION

We hereby certify that we have no interest, present or contemplated, in the property, and that neither the employment to make the appraisal, or the compensation is contingent on the value of the property. To the best of our knowledge and belief, all statements and information in this report are true and correct, subject to the underlying assumptions and contingent conditions.

This appraisal report in all respects has been made in accordance with the Code of Ethics of the American Society of Farm Managers and Rural Appraisers.

It has also been made in conformity with and is subject to the requirements of the Code of Professional Ethics and Standards of Professional Conduct of the American Institute of Real Estate Appraisers of the National Association of Realtors.

We further certify that we have personally inspected the property as well as all other properties referred to in the Market Data Approach and that the selling prices and conditions of sales were verified with one or more of the parties to the transaction.

In view of the foregoing, we estimate the market value of this property to be the sum of ONE HUNDRED TWELVE MILLION DOLLARS - (\$112,000,000.00).

As of May 1, 1976.

Very truly yours,

KARPE-FISHER CO.


Jerrold E. Fisher, ARA, SRPA, SR/WA


Bruce A. Beaudoin, MAI, SRA

JEF:MH

Encl- Qualifications -
Jerrold E. Fisher
Bruce A. Beaudoin

SUGGESTED FORM OF PROPOSAL
FOR PURCHASE OF BONDS

Honorable Board of Directors
Berrenda Mesa Water District
c/o Bartle Wells Associates
Shell Building Penthouse, 28th Floor
100 Bush Street
San Francisco, California 94104

June 29, 1976

Dear Sirs:

For \$2,710,000 Berrenda Mesa Water District First Issue, Series C bonds, as described in the Official Notice of Sale, which is incorporated herein and made a part of this proposal, we will pay the sum of \$_____ and interest to the date of their delivery for bonds to bear interest at the annual rates set forth below:

Cumulative Bond Years	Maturity Date July 1	Principal Amount	Interest Rate	Cumulative Bond Years	Maturity Date July 1	Principal Amount	Interest Rate
20	1978	\$ 10,000	____%	8,020	1991	\$100,000	____%
95	1979	25,000	____%	9,620	1992	100,000	____%
195	1980	25,000	____%	11,745	1993	125,000	____%
320	1981	25,000	____%	13,995	1994	125,000	____%
470	1982	25,000	____%	16,370	1995	125,000	____%
820	1983	50,000	____%	19,370	1996	150,000	____%
1,220	1984	50,000	____%	23,045	1997	175,000	____%
1,670	1985	50,000	____%	27,445	1998	200,000	____%
2,420	1986	75,000	____%	32,620	1999	225,000	____%
3,245	1987	75,000	____%	38,020	2000	225,000	____%
4,145	1988	75,000	____%	44,270	2001	250,000	____%
5,120	1989	75,000	____%	50,770	2002	250,000	____%
6,520	1990	100,000	____%				

A certified or cashier's check in the amount of \$25,000 payable to the order of the district is enclosed.

(For information only, not part of proposal.)

Interest payable from July 1, 1976
through July 1, 2002 \$ _____

Less - premium or
plus - discount _____

Net interest payable _____

Net effective interest rate _____

(A list of members of our underwriting group
is attached.)

OFFICIAL NOTICE OF SALE

\$2,710,000

BERRENDA MESA WATER DISTRICT BONDS,
FIRST ISSUE, THIRD SERIES, SERIES C

NOTICE IS HEREBY GIVEN that sealed proposals will be received by the Board of Directors of Berrenda Mesa Water District at the offices of Bartle Wells Associates, Shell Building Penthouse, 100 Bush Street, San Francisco, California, on

TUESDAY, JUNE 29, 1976

at 11:00 a.m. (P.D.T.) for the purchase of \$2,710,000 principal amount of bonds of the District designated "Berrenda Mesa Water District Bonds, First Issue, Third Series, Series C," more particularly described below. The bonds are issued pursuant to Article 8 (commencing with Section 53540) of Chapter 3, Part 1, Division 2, Title 5 of the Government Code, in substitution for an equal amount of bonds of an issue of \$38,150,000 aggregate principal amount authorized at an election held in the District on June 28, 1966.

ISSUE: \$2,710,000 consisting of 542 coupon bonds in the denomination of \$5,000 (or fully registered bonds in denominations of \$5,000 or multiples thereof), all dated July 1, 1976, and comprising all of the bonds of Series C of said authorized issue.

INTEREST RATE: Maximum not to exceed eight percent (8%) per annum, payable semiannually on January 1 and July 1 of each year.

MATURITIES: The bonds will mature in consecutive numerical order on July 1 in the amounts and for each of the several years as follows:

<u>Years Inclusive</u>	<u>Principal Amount</u>
1978	\$ 10,000
1979-1982	25,000
1983-1985	50,000
1986-1989	75,000
1990-1992	100,000
1993-1995	125,000
1996	150,000
1997	175,000
1998	200,000
1999-2000	225,000
2001-2002	250,000

REDEMPTION: Bonds maturing on or before July 1, 1985 are not subject to redemption prior to their respective stated maturities. Bonds maturing on or after July 1, 1986 are subject to redemption prior to their respective stated maturities, at the option of the District, as a whole, or in part in inverse order of maturities (and by lot within maturities), on any date on or after July 1, 1985, at the principal amount thereof and interest accrued thereon to the date of redemption, plus a premium of one-quarter of one percent (1/4 of 1%) of such principal amount for each year or fraction of a year remaining between the date of redemption and the stated maturity date thereof.

PAYMENT: Both principal and interest are payable in lawful money of the United States of America at the office of the paying agent of the District in Los Angeles, California, or, at the option of the holder, at the office of any paying agents of the District in New York, New York, Chicago, Illinois, or San Francisco, California.

REGISTRATION: The bonds may be issued in coupon form or in fully registered form, and will be interchangeable.

PURPOSE: The bonds are issued in substitution of an equal amount of bonds authorized by more than two-thirds of the votes cast on the proposition to authorize the issuance thereof at a special bond election held within the District to authorize bonds for the acquisition and construction of irrigation works for the supply of water to lands within the District.

SECURITY: The bonds are general obligations of the District, and the District has power and is obligated (unless funds for the payment thereof are otherwise provided) to cause ad valorem assessments to be levied for the payment of the bonds and the interest thereon upon all lands within Berrenda Mesa Water District subject to assessment by the District, without limitation of rate or amount.

TAX EXEMPT STATUS: In the event that prior to the delivery of the bonds the income received by private holders from bonds of the same type and character shall be declared

to be taxable under any federal income tax laws, either by the terms of such laws or by ruling of a federal income tax authority or official which is followed by the Internal Revenue Service, or by decision of any federal court, the successful bidder may, at his option, prior to the tender of the bonds by the District, be relieved of his obligation under the contract to purchase the bonds, and in such case the deposit accompanying his bid will be returned.

LEGAL OPINION: The legal opinion of Rutan & Tucker of Santa Ana, California, approving the validity of the bonds, will be furnished to the successful bidder without cost. A copy of the legal opinion, certified by the official in whose office the original is filed, will be printed on each bond without charge to the purchaser.

TERMS OF SALE

Interest Rate: The maximum rate bid may not exceed eight percent (8%) per annum, payable semiannually. Each rate bid must be a multiple of one-twentieth of one percent (1/20 of 1%). No bond shall bear more than one interest rate, and all bonds of the same maturity shall bear the same rate. Only one coupon will be attached to each bond for each installment of interest thereon, and bids providing for additional or supplemental coupons will be rejected. For bonds maturing on or after July 1, 1988 the rate on any maturity shall not be less than the rate on any preceding maturity.

Award: The bonds may be sold at a price equal to their par value or above or below their par value, except that any discount bid shall not exceed two and one-half percent (2 1/2%) of the par value of said bonds. The bonds will be sold for cash only. All bids must be for not less than all of the bonds hereby offered for sale and each bid shall state the total price offered for the bonds, the premium, or the discount, if any, and the interest rate or rates shall not exceed that specified herein, at which the bidder offers to buy said bonds, and accrued interest to the date of delivery. Each bidder shall state in his bid the total net interest cost in dollars and the average net interest rate determined thereby, which shall be considered informative only and not a part of the bid.

Highest Bid: The bonds will be awarded to the highest responsible bidder considering the interest rate or rates specified and the premium offered, or discount specified, if any. The highest bid will be determined by deducting the amount of the premium bid (if any) from or by adding the discount specified (if any) to the total amount of interest which the District would be required to pay from the date of the bonds to their respective maturity dates at the coupon rate or rates specified in the bid, and the award will be made on the basis of the lowest net interest cost to the District. The purchaser must pay accrued interest, computed on a 360-day year basis, from the date of the bonds to the date of delivery. The cost of printing the bonds will be borne by the District.

Right of Rejection: The Board of Directors reserves the right, in its discretion, to reject any and all bids and to waive any irregularity or informality in any bid.

Prompt Award: The Board of Directors will take action awarding the bonds or rejecting all bids not later than 26 hours after the expiration of the time herein prescribed for the receipt of proposals, unless such time of award is waived by the successful bidder. Notice of the award will be given promptly to the successful bidder.

Delivery: Delivery of the bonds will be made to the successful bidder at the office of the paying agent of the District in Los Angeles or San Francisco, California, at the option of the successful bidder. Payment for the bonds must be made in immediately available funds. Delivery will be made as soon as the bonds can be prepared, which it is estimated will be within 30 days from the date of sale.

Right of Cancellation: The successful bidder shall have the right, at his option, to cancel the contract of purchase if the District shall fail to execute the bonds and tender the same for delivery within 60 days from the date of

sale thereof, and in such event the successful bidder shall be entitled to the return of the deposit accompanying his bid.

Form of Bid: Each bid, together with bidder's check, must be enclosed in a sealed envelope addressed to the Board of Directors of Berrenda Mesa Water District and endorsed "Proposal for Berrenda Mesa Water District Bonds, First Issue, Third Series, Series C."

Bid Check: A certified or cashier's check on a responsible bank or trust company in the amount of \$25,000 payable to the order of the District must accompany each proposal as a guaranty that the bidder, if successful, will accept and pay for said bonds in accordance with the terms of his bid. The check accompanying any accepted proposal shall be applied on the purchase price or, if such proposal is accepted but not performed, unless such failure of performance shall be caused by any act or omission of the District, shall then be cashed and the proceeds retained by the District and be applied by the District in partial satisfaction of whatever actual damages the District may suffer by reason of the successful bidder's failure to perform hereunder in accordance with the terms of sale. In such instance, should the District's actual damages be determined to be less than said amount, thirty (30) days after any such determination by a court having jurisdiction thereof becomes final, the balance of said amount shall be returned to the successful bidder. Should the successful bidder fail to perform hereunder, the District may also recover all costs relating thereto, including a reasonable amount for attorney's fees. The check accompanying each unaccepted proposal will be returned promptly.

CUSIP Numbers: CUSIP identification numbers will be printed on said bonds at the request of the successful bidder, but neither the failure to print such number on any bond nor any error with respect thereto shall constitute cause for a failure or refusal by the successful bidder thereof to accept delivery of and pay for said bonds in accordance with the terms of sale. All expenses in relation to the printing of CUSIP numbers on said bonds shall be paid for by the District. The CUSIP Service Bureau charge for the assignment of said numbers shall be the responsibility of and shall be paid for by the successful bidder.

Arbitrage Certificate: The District will furnish to the successful bidder at the time of delivery of the bonds a certificate that on the basis of the facts, estimates and circumstances in existence on the date of issue of the bonds, it is not expected that the proceeds of the bonds will be used in a manner that will cause the bonds to be arbitrage bonds.

No Litigation Certificate: At the time of payment for and delivery of said bonds the District will furnish the successful bidder a certificate that there is no litigation pending affecting the validity of the bonds.

Official Statement: The District will furnish to the successful bidder 250 copies of the Official Statement following award of the bonds. At the time of delivery of the bonds, the District will furnish to the successful bidder a certificate to the effect that to the best of the signatory's knowledge, at the time of sale of the bonds and at all times subsequent thereto up to and including the time of said delivery, the Official Statement did not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

INFORMATION AVAILABLE: Requests for information concerning the District should be addressed to:

Bartle Wells Associates
Municipal Financing Consultants
Shell Building Penthouse
100 Bush Street
San Francisco, California 94104

GIVEN by order of the Board of Directors of Berrenda Mesa Water District, adopted April 20, 1976.

H. RONALD LAMPSON
Secretary of the Board of Directors
of Berrenda Mesa Water District

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